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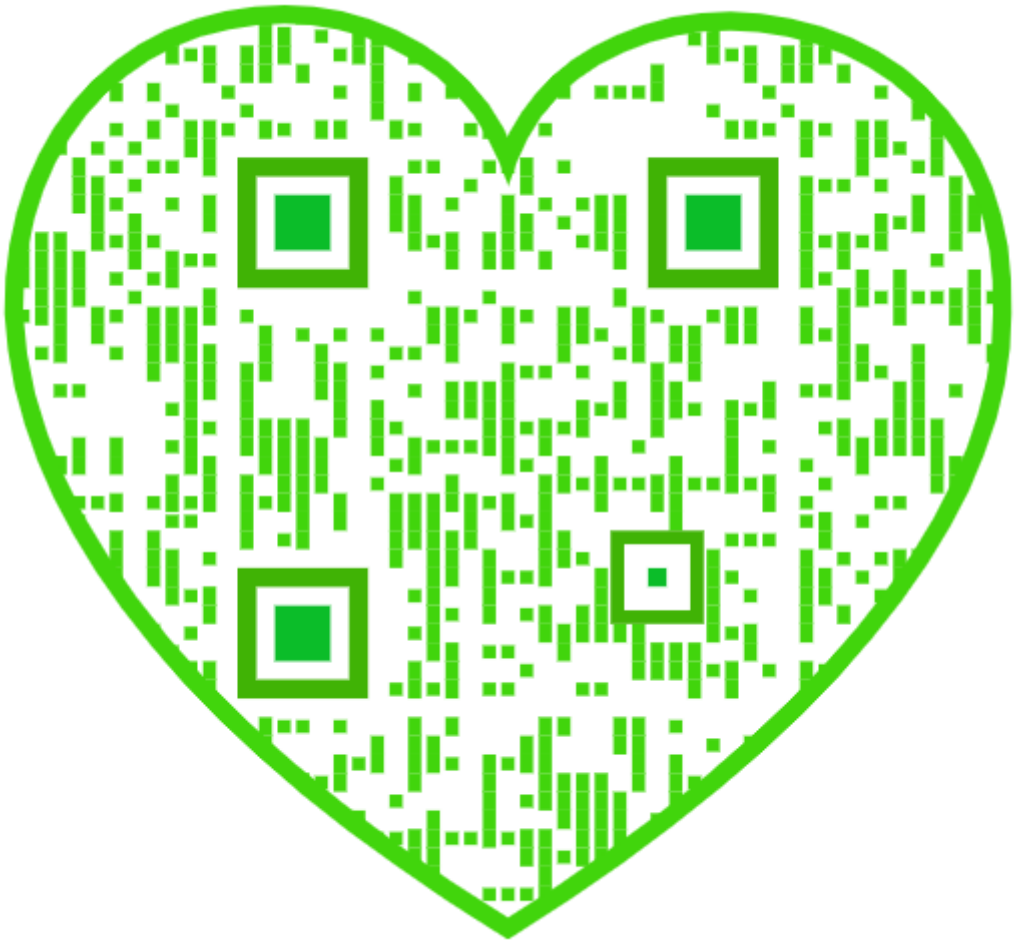

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VOLUME 52

No. 1

THE TOBACCO WORLD

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A HAPPY NEW YEAR

To our customers and friends throughout the industry we extend this old, old greeting of the Holiday Season, gladly offered and sincerely meant.

We hope the New Year will bring to each and everyone a generous portion of profitable business. For ourselves we anticipate in 1932 new opportunities for increased usefulness and service.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

TOBACCO AGENTS FOR THE PHILIPPINE GOVERNMENT

CHARLES A. BOND
DAVID F. MORRIS

15 William Street
New York City.

September 18,1931

Mr. E.M. Henofer, Pres.,
Wooden Cigar Box Boosters Club,
216 Seaside Ave.,
Atlantic City, N.J.

Dear Sir:

For some years I have followed closely your campaign to protect the cigar industry by advocating the continued use of wooden boxes.

In this connection,permit me to say that Manila cigars are packed one hundred percent in cedar boxes. Experiments have been made with other materials in the past,but, the Manila manufacturers find that nothing can take the place of wood to preserve the quality of cigars.

It may interest you to know that the Manila trade is expanding and that shipments show a gain of about seven percent over last year. Clean, wholesome cigars, carefully packed in wood is the answer.

Respectfully yours,
C A Bond
Philippine Tobacco Agent

MANILA CIGARS *are packed.....*
100% IN WOODEN BOXES

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

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Volume 52

THE TOBACCO WORLD

Number 1

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, JANUARY 1, 1932 — Foreign $3.50

MAR 1 1932

EDITORIAL COMMENT

BEGINNING with 1920 when the Commissioner of Internal Revenue reported that according to cigar manufacturers' production figures (including inventory) there were produced more than 8,000,000,000 cigars, and on down to and including 1930 when the same calculations show a production of 5,881,000,000, we arrive at an average for these eleven years of something more than 6,667,000,000 (E. & O. E.).

Without going into the involved procedure of determining exactly how many cigars were produced in each year, we are willing to take the Commissioner's report of June, 1931 (just issued), which shows a loss of more than 604,000,000 cigars as compared with 1929.

The monthly reports (which are subject to revision, and how!) indicate a loss for the first eleven months of 1931 of more than 525,000,000.

Adding the probable loss in the month of December, and including any and all revisions for the calendar year of 1931, the cigar business must have gone back in a two-year period more than one billion cigars below the figures of 1929.

The holiday season is no time to quarrel with a contemporary who assures the trade that it is nothing to be alarmed about.

But his calm statement does remind us of the story of the English butler, whose employer continually bragged about his efficiency. On the occasion of an important dinner party, however, he failed to function as usual, and was obviously nervous. His employer was very much puzzled but said nothing. At last, after the coffee and cigars had been served he stepped behind the host and whispered in his ear, "Pardon be, sir, but may I go now? My house is on fire!"

Of course the house of the cigar industry may not be on fire, but here are some figures for this November past and others:

Cigar Withdrawals for Months of November

1920	668,060,015	1926	654,975,106
1921	615,251,258	1927	654,164,677
1922	679,300,302	1928	630,530,692
1923	650,687,413	1929	622,938,344
1924	601,412,539	1930	528,127,899
1925	598,478,129	1931	477,458,157

These statistics are based on monthly reports and have no doubt suffered some revision in the annual reports, but they tell the story nevertheless. It is the first time in twelve years, at least, that November withdrawals had dropped below 500,000,000.

We are earnestly trying to find out what is the matter with the cigar smoking. Our investigations are taking us back not only to the grower, and the cigar manufacturer's methods of conditioning tobaccos, but to other ramifications of the industry.

Of course our particular form of lunacy has to do with the use of the transparent wrapper. It doesn't improve the cigar and we think that is admitted. And if the cigar industry hasn't pulled a Frankenstein in the creation of the use of the non-porous wrapper, then men who have smoked cigars for years and years have been depending entirely on their imagination for the pleasure they have had in smoking cigars in their natural wrappers, and packed in Spanish cedar boxes.

Just the other day we had a long conversation with a man fully competent to discuss both the growing of leaf and its conditioning. He laid some blame on the growers but more on the mass conditioning of the leaf, for the fact that cigars are not what they used to be.

So far as the non-porous wrapper is concerned he had opinions based on a knowledge of chemistry. He favored it only as a protective agent, and stated that unless the utmost care was used in conditioning the cigar before it was encased in the lucid covering it was entirely probable that it would not be as satisfactory a smoke as a cigar in its natural wrapper. He added, also, that unless it was consumed within a reasonable length of time after being encased the cigar would unquestionably deteriorate from lack of air.

Some months ago an important jobber in a distant city expressed his opinion that the protective value of the transparent wrapper was the only argument in its favor, and he could not see why it would not be far better to supply the tubes to the retailer to give to the cigar smokers who demanded them. The same suggestion has been made several times since. And if the labor of encasing the cigars were left to the smoker we are of the opinion that this five-million-dollar baby cradled by the cigar manufacturing industry could be turned over to an orphan's home without any loss of prestige on the part of its parents. And the money saved thereby could be satisfactorily used to improve the conditioning of tobaccos, the use of higher grade containers for the ripening of the cigars, and there might also be some salvage for stock dividends.

(Continued on page 15)

PHILADELPHIA.

A. JOSEPH NEWMAN RECOVERING

AT BAYUK CIGARS, INC., headquarters, Ninth Street and Columbia Avenue, we learned that A. Joseph Newman, sales manager of the company, who has been seriously ill at his home for the past four or five weeks, is now convalescing and well on the road to recovery.

Mr. Newman was able to be up and around his home this week for the first time since his illness, and it is anticipated that he will be able to be at his desk for a short time each day during the coming week. The many friends of Mr. Newman are rejoicing at his recovery.

Another piece of real news was learned at Bayuk headquarters, which is that the "Havana Ribbon" perfecto extra list price, formerly $40, will be reduced to $38.50 on January 1st. This should be encouraging news for the retailers throughout the country to begin the New Year and prove an added inducement for the trade to get behind this brand and capitalize on its great popularity.

John T. Rynn, manager of the Peoria, Ill., distributing branch of Bayuk Cigars, Inc., spent Christmas with his relatives in Albany, N. Y., and dropped in at Bayuk headquarters on his return.

L. W. Leech, associated with Bayuk Cigars as a salesman in the Michigan territory, has been assigned as manager of the St. Louis, Mo., distributing branch of the company.

Zolla Brothers, Inc., 444 East Sixty-third Street, Chicago, Ill., have been entrusted with the distribution of Bayuk cigars effective January 1, 1932, for the City of Chicago. This is a well-known concern in that city and is noted for its progressive and up-to-date methods and its splendid delivery service, and it is predicted that the prestige of Bayuk brands in that territory will be further strengthened through association with Zolla Brothers. This firm succeeds the Clarence Hirschhorn Company in the distribution of Bayuk brands in that territory as the Hirschhorn Company is retiring from business effective January 1st.

Herbert Jacobs, Bayuk salesman in the Erie territory, spent Christmas with his family in Philadelphia and also visited at Bayuk headquarters during the holidays.

"ROYALIST" CLOSES GOOD YEAR

At Grabosky Brothers, Incorporated, manufacturers of the "Royalist" brand, which was launched on the market only last March, they report a highly satisfactory business on their brand for the holiday period, as well as for the ten months of the year.

Plans are being formulated for 1932 sales and the "Royalist" will make its appearance in some new territories during the coming year.

CONGRESS OFFICES CLOSED

LAST week saw the closing permanently of the general offices of the Congress Cigar Company at Third and Spruce Streets, and their removal and consolidation with the offices of Waitt & Bond, Inc., and the Porto Rican-American Tobacco Company, at 744 Broad Street, Newark, in the Essex Building.

However, manufacturing will be continued by the Congress Cigar Company in their factory buildings at Third and Spruce Streets, and their Camden, N. J., factories.

The local jobbing department will be continued here at Third and Spruce Streets also, under the management of Harold Christian, who is well known and well liked in this territory, which is no small asset. Holiday business on "La Palina" was excellent and prospects for a good 1932 are excellent.

YAHN & McDONNELL BRANDS IN GOOD DEMAND

At Yahn & McDonnell headquarters, distributors of high-grade cigars, cigarettes, tobacco products and smokers' accessories and novelties, they report an excellent volume of business for the holiday trade and the last minute rush of reorders by those who had not anticipated such a demand.

Reports indicate that Christmas shoppers this year spent their money for gifts that had a real value, and that were calculated to give the recipient real enjoyment, and the better grade of cigars came in for a good measure of this business.

"Blackstone" and "Optimo" enjoyed a heavy sale and some sizes of these brands were oversold and could not be obtained at the last minute. "Antonio y Cleopatra," "Medalist," "Haddon Hall" and the imported brands also enjoyed a heavy demand, and retailers, jobbers and manufacturers have again become imbued with a real spirit of optimism as to business prospects for 1932.

Abe Caro, the dynamic "Optimo" representative, was in town on Wednesday and reported a splendid business on "Optimo" cigars throughout the country for the holiday period.

"Cream of the Crop"
LUCKY STRIKE
"IT'S TOASTED"
CIGARETTES
Jean Harlow
Copr., 1932, The American Tobacco Co.
"There's none so good as LUCKIES"
SHE'S MISCHIEVOUS, RESTLESS, AND 20, WEIGHS 112 POUNDS.
Miss Harlow has smoked Luckies for two years... not one cent was paid for her signed statement. She rose to stardom in "Hell's Angels"... and if you've seen her new COLUMBIA PICTURE, "THREE WISE GIRLS," you'll understand why thousands of girls are trying to match her riotous platinum blonde locks. We appreciate all she writes of Luckies, and so we say, "Thanks, Jean Harlow."
"I've tried all cigarettes and there's none so good as LUCKIES. And incidentally I'm careful in my choice of cigarettes. I have to be because of my throat. Put me down as one who always reaches for a LUCKY. It's a real delight to find a Cellophane wrapper that opens without an ice pick."
Jean Harlow
"It's toasted"
Your Throat Protection—against irritation—against cough
And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh
TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N. B. C. networks.

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GEORGE W. HILL EXPRESSES HIS VIEWS ON BUSINESS OUTLOOK

IN RESPONSE to requests for his views on the business outlook, George W. Hill, president of the American Tobacco Company, authorizes the following:

"Too many of us may be prone to forget the real meaning of the word industry. Industry really means diligence. In all fields of economic activity merchants are meeting stronger resistance to sales efforts. This means that we must apply greater industry, greater diligence toward making sales.

"The operations of our company have been extremely satisfactory for the year 1931, although cigarette production for the industry as a whole will show a slight decrease when the complete figures for 1931 are available. This is not discouraging, however, to those companies that have faith in their products and that express that faith in constructive sales activity. As I have said before, a large part of that sales activity must be expressed in forceful advertising and in 1932 the American Tobacco Company will continue the aggressive advertising policies that have characterized its sales efforts during the last few years.

"In times like these people read advertisements more carefully and pay more attention to the printed word than they do when their expenditures are more casual. During the coming months people are going to read advertisements, weigh their contents, think about the statements and make decisions that result in sales. Good advertising is the only way to win these sales results. This is especially true as to the wage earner, and the wage earner is our most important market. So far as tobacco products are concerned, it seems to me that the wage earner gets more genuine and worthwhile satisfaction and pleasure out of his popular-priced cigarette, five-cent cigar and pipe than does the well-to-do man with his imported cigar. Tobacco is the poor man's comfort and solace, a fact which is of vital importance in considering tax problems. Because to-

(Continued on page 15)

"HABANELLO" FIRM PLANS EXPANSION

GEORGE ZIFFERBLATT & COMPANY, manufacturers of the "Habanello" cigar, are reported planning to expand their manufacturing facilities through the acquisition of a new and larger building during 1932 in order to cope with the increased demand for "Habanello" cigars.

In 1927, when the company was organized its total sales were only $100,000; in 1928 the sales doubled and in 1929 they again doubled, and in 1931 sales were more than $1,000,000. In 1932, sales are expected to reach a total of $1,750,000, and it is planned to employ 1000 persons.

Holiday sales of "Habanello" cigars, particularly in the "top" sizes, were so heavy that the factory was kept working to capacity until the day before Christmas to supply the demand.

The "Habanello" cigar is made in sizes to retail from ten cents to twenty-five cents each, and distribution of the brand has been steadily expanded until the territory now covered includes as far west as Kansas City, south as far as Washington, D. C., and north to Maine.

The "Habanello" is a Havana filled cigar and its success has been phenomenal during the depression period when many other brands have suffered a severe loss in sales.

CLAUDE TURNER JOINS POPPER COMPANY

Claude Turner, well-known cigar salesman, but who has been absent from the cigar industry for a time while he has been devoting his time in the advertising field, has completed negotiations with E. Popper & Company, manufacturers of the "Tudor Arms" and "Ottina" brands, whereby he will become associated with that firm on January 1st as sales representative covering the mid-western territory.

The "Tudor Arms" brand is a Shadegrown-wrapped Havana-filled cigar and the "Ottina" is a Sumatra-wrapped Havana-filled cigar. Both brands enjoy a wide sale.

The Tobacco World

Wishes Everyone

A Happy, Healthy and Prosperous

New Year

Have you smoked a CAMEL lately?

If you want to enjoy cool, smooth mildness in a cigarette—*real* mildness—just try Camels in the Camel Humidor Pack.

It's like giving your throat a vacation—so free are Camels from the slightest trace of bite or burn or sting.

Women, because their throats are more delicate than men's, particularly appreciate this relief from the hot smoke of parched dry-as-dust tobacco, and are switching to Camels everywhere.

The secret of Camel's unique mildness is that the blend of fine Turkish and mild Domestic tobaccos of which they are made is brought to the smoker in prime factory-fresh condition.

All the fragrance and aroma of these tobaccos — and all the natural moisture which means cool flavorful smoking — is preserved intact for you by the Camel Humidor Pack.

So try Camels and see what it means to smoke fine cigarettes — kept fine — switch to them for just one day — then leave them — if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

"Are you Listenin'?"

R. J. REYNOLDS TOBACCO COMPANY'S COAST-TO-COAST RADIO PROGRAMS

CAMEL QUARTER HOUR, Morton Downey, Tony Wons, and Camel Orchestra, direction Jacques Renard, every night except Sunday, Columbia Broadcasting System

PRINCE ALBERT QUARTER HOUR, Alice Joy, "Old Hunch," and Prince Albert Orchestra, direction Paul Van Loan, every night except Sunday, N. B. C. Red Network

See radio page of local newspaper for time

● *Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against perfume and powder odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time*

CAMELS

Made FRESH — *Kept* FRESH

© 1932, R. J. Reynolds Tobacco Company

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DEMOCRATIC policies with respect to tax legislation are expected to be determined some time early in January, as a result of the inability of the Democratic Policies Committee of the Senate and House of Representatives to reach an agreement at their initial meeting before Christmas.

Close study is being given the tax recommendations of Secretary of the Treasury Mellon. There is little indication, however, the Democratic leaders in Congress will be willing to accept an administration program with respect to taxes, including, as it does, a number of levies which are opposed by various members.

With regard to the proposed increase of one-sixth in tobacco taxes other than cigars there is a sharp division of opinion, it is indicated. Many members in both parties believe that such a tax could readily be imposed, but there are others, particularly from the tobacco sections, who are vigorously opposed to the plan. Several bills to reduce the present rates on tobacco products have been introduced, largely to form the basis of an argument against any increases.

The Democratic tax plan, it is now believed, will include increased income and surtax rates, the latter possibly even higher than the 40 per cent. maximum recommended by Secretary Mellon; an increase in the estate tax, which may be accompanied by imposition of a gift tax, and possibly an increase in the tobacco taxes. Beyond that, however, there is some doubt; it is declared by many prominent Democrats that the nuisance taxes included in the administration recommendations should not be imposed with business in its present condition, and it has been recommended that part of the deficit may be made up by a bond issue, while from other quarters has come the suggestion for repeal of the profits and loss provisions of the present tax law in order to reach sales made this year in the taking of losses for tax purposes, it being estimated that some $400,000,000 could thus be secured.

Present plans of the Democratic leaders call for another meeting of the policies committee early this month at which a tax program will be adopted, to be followed by public hearings on tax proposals before a bill is reported to the House.

Price Maintenance Bill Re-introduced

Legislation legalizing contracts requiring the maintenance of fixed resale prices on trade-marked or branded commodities, which has been before Congress for a number of years, has been re-introduced by Representative Clyde M. Kelly, of Pennsylvania, and Senator Arthur Capper, of Kansas. The bill was passed by the House of Representatives last session but was not acted upon in the Senate.

The measure is known as the "fair trade bill" and is designed to prevent price cutting on branded articles except under stipulated circumstances, such as the closing out of stock, etc. Demand for the legislation, it is declared, arises from the practice of certain stores, principally chains, of cutting prices on branded goods on which large sums of money have been spent by the manufacturer in advertising, these so-called "loss leaders" being used to bring in trade for other products on which the stores make large profits.

In a number of instances, it is alleged, these tactics have resulted in heavy losses to manufacturers through the refusal of the public to buy the products at the regular price and the disinclination of price-maintaining dealers to stock merchandise on which there is no assurance of profit.

Resolution Asks Investigation of Tobacco Prices

Investigation by the House Committee on agriculture of the prices of tobacco and tobacco products is sought in a resolution introduced in Congress by Representative Gilbert of Kentucky.

It is pointed out by Mr. Gilbert that the manufacturers last summer raised the prices of their products, especially cigarettes, "when these products had been made from one of the cheapest crops of tobacco purchased from the growers, and at a time when one of the largest and best crops in many years was to be marketed" and that the manufacturers are now purchasing this crop at prices ruinous to the growers. "It appears," he declared in his resolution, "that the said companies have the power to lower the price to the grower and raise it to the consumer at the same time and have the power to nullify all natural economic law and to fix the price of tobacco and tobacco products.

"It is evident," Mr. Gilbert continued, "that no competition exists among the several manufacturers in the purchase of tobacco."

For the purpose of obtaining information as a basis for legislation, the agricultural committee would be authorized to ascertain whether the companies are violating the present statutes against combines, trusts and unlawful agreements to fix prices; if the present statutes are insufficient, what amendments are necessary to cover arbitrary power of price fixing; and what methods are resorted to and what understanding exists among the tobacco companies to enable them to stifle competition in the purchase of tobacco.

Reduction in Tobacco Taxes Sought

Greatly reduced tobacco taxes are sought by Representative Hancock (Dem.), of North Carolina, in

(Continued on Page 14)

SONG PREMIERES ON CHESTERFIELD PROGRAM

AMERICA'S master song writers will compose special numbers for the "Music That Satisfies" program opening January 4th over a coast-to-coast network of the Columbia Broadcasting System.

Irving Berlin heads the list of popular composers who will write exclusive tunes for the broadcasts which will star Alex Gray, lyric baritone, and Nat Shilkret's Orchestra, and which will be presented each week night at 10:30 P. M., Eastern Standard Time, over 67 Columbia stations.

Although not a newcomer to radio, Gray rarely has faced eastern microphones. While in Hollywood, however, the young baritone was engaged to play the leads in complete radio performances of "Blossom Time" and "Chocolate Soldier," the latter with Oscar Strauss conducting. Each of these performances lasted more than two hours.

Gray attained stage and screen success after a colorful and varied career. His early schooling was obtained in Baltimore, with summer interludes of work on a dairy farm and in tobacco fields in Pennsylvania. He attended high school in Philadelphia and his vacations were spent in a machine shop of an electrical supply company.

As a student at Penn State, Gray worked his way through college by taking care of furnaces, washing dishes and selling aluminum utensils. He found time, nevertheless, to become prominent in the glee club, quartet and dramatic society.

Graduating as an industrial engineer, Gray worked his way to Europe as a deck hand on a liner and returned as a coal passer in the stoke-hole of Howard Goulet's yacht, the "Niagara." Ensuing years, with musical studies and ambitions always in the background, Gray became a teacher of carpentry and wood turning, a technical editor of a trade publication, a manager of advertising and sales promotion for a truck company.

Then came an audition with Florenz Ziegfeld and a part in his "Midnight Frolic." He since has had featured roles in such productions as "The Follies," "Sally," "Naughty Riquette," "Tell Me More," "Twinkle, Twinkle," "Sweet Lady" and "The Desert Song."

Deserting New York and "the road" for Hollywood, Gray played opposite Marilyn Miller in her first film, "Sally," and likewise was featured in the musical comedy films, "No, No, Nanette," "Spring Is Here," "Song of the Flame" and "Viennese Nights."

When musical pictures lost their vogue Gray returned to New York and played at the Palace as the opening of an extensive vaudeville tour. He was one of a number of entertainers to give auditions for the Chesterfield program.

Berlin has written a waltz entitled, "I'll Miss You in the Evening," for presentation by Chesterfield during the month of January. Each month thereafter Gray and Shilkret will introduce the latest ballad by another ranking song writer. The special compositions will be released to the public at the end of each month.

"We plan to introduce to the radio audience each month an outstanding composition of America's song writers," Shilkret announced. "The series will be a 'pre-view' of the tempo and spirit of the country's popular music in 1932.

"The feature will make public, for the first time, the latest songs direct from the master manuscripts in arrangements typical of each composer. It should prove to be a cross-section of the best music in the American dance, ballad and stage lyrics of the year."

Berlin's composition will be followed in February by one from the team of De Sylva, Brown and Henderson, creators of many musical comedy hits, including "Good News." Henderson writes the music and his associates create the lyrics.

Shilkret and Gray will present the features in special arrangements several times each month. The compositions will not be available to other entertainers during the month of the premiere.

"KING BEE" MAKES CHICAGO DEBUT IN WOODEN BOXES

WENGLER & MANDELL, INC., producers of "King Bee," "Tropics" and "Tom Palmer" cigars, inaugurated a sales and advertising campagin in Chicago, which is devoted exclusively to their "King Bee" five-cent cigar.

The advertising campaign is running exclusively in the *Chicago Tribune*. Advertisements appear Saturdays in the sport section of that paper. More than five thousand Chicago cigar dealers have already tied into the campaign. These dealers are supplied with display stands and reprints of all advertisements. The display stands were mailed out to all dealers on the day the campaign opened. Wengler & Mandell salesmen are distributing display stands as the campaign progresses. Friday, of each week, all dealers receive a reprint of the advertisement that is to appear the following day. This reprint is so arranged that it can be pasted on the windows, or inside the store.

Coincident with the starting of the campaign, "King Bee" cigars made their initial appearance in the Chicago market, packed in their new wooden boxes. The wooden box is prominently featured in all of the advertisements.

The "King Bee" advertising campaign is clean and constructive. It is free from derogative comparisons with other makes of cigars or smoking materials. The theme of the campaign was taken from the actual experience in selling "King Bee" cigars. Up to the time that the campaign was started, the number of "King Bee" cigars that had been sold without advertising was many millions. It was evident, therefore, that the success of the "King Bee" cigar was, up to that time, dependent, entirely upon recommendations of one smoker to another, and it was safe to say that these recommendations were also many millions in number.

The slogan, "The Cigar of a Million Recommendations" constitutes the actual theme running through the entire series of advertisements. The detailed representation, in each advertisement, displays a variety of ways in which "King Bee" cigars have been recommended.

Reports indicate that the "King Bee" cigar advertising campaign is receiving splendid co-operation from all dealers. The local trade sentiment is extremely complimentary to Wengler & Mandell, Inc., for having decided, at this time, to make one or more boxes of "King Bee" cigars on the dealer's counter the most valuable one of the lot.

TOBACCO PRODUCTS REPORT

Tobacco Products Corporation reports for the ten months ended October 31, 1931, net profit of $1,938,582 after expenses, Federal taxes, etc.

STOCKHOLDERS OPPOSE STANDARD PLAN

THREE preferred stockholders of the Standard Commercial Tobacco Company, Inc., which has offices in New York, filed suit in the Delaware Chancery Court on December 21st to enjoin the holding of a special meeting of stockholders of the company in New York on December 29th. The complainants are Marius S. Salbo, William A. Whittaker and Martin Johnson, all of New York, owners of 750 shares of the company's preferred stock.

The special meeting was called to consider a proposal that the company purchase 7500 shares of the company's preferred stock at $55 a share from Ery Kehaya, president of the company, and retire the stock. The complainants allege that the president of the company controls the corporation and has pursued a reckless and unwise policy in the management of its affairs. The bill of complaint charges that the proposed plan for reduction of capital by purchasing the stock from the president is peculiar, unusual, prejudicial to and a fraud upon the rights of preferred and common stockholders, and a waste of assets.

Under the proposal the company states the president would receive about $185,000 in cash and 10,000 shares of the Class B common stock of Crum & Forster Insurance Shares Corporation, to be valued at $20 a share. The complainants set forth that 9000 shares of Crum & Forster was acquired by the tobacco company in 1928 at $97 a share and the other thousand shares were received as stock dividends. It is declared that although the company places a price of $20 a share, it has a fair and accepted value of $33 a share.

However, the meeting was held on December 29th and the stockholders voted to accept the offer of Mr. Kehaya to sell to the company 7500 shares of its 7 per cent. cumulative preferred stock at $55 a share.

The shares are to be retired, and payment to Mr. Keyaha to be in the form of 10,000 shares of common B stock of Crum & Forster Insurance Shares Corporation at $20 a share, some claims of doubtful value and $185,800 in cash.

WOOLFSON RESIGNS FROM "BERING"

Walter Woolfson, well-known salesman and for the past two or three years connected with Corral, Wodiska y Ca., Tampa manufacturers of the "Bering" cigar, has resigned from that company effective January 1st, and will at that time become associated with the Preferred Havana Tobacco Company.

Mr. Woolfson, it will be remembered, was connected with the Preferred Havana Company for a short time prior to his connection with the Corral, Wodiska firm.

The Preferred Havana Tobacco Company operates a factory in Tampa, and maintains offices at 257 Fourth Avenue, New York City. Mr. Woolfson will continue to maintain his headquarters at 27 East Jackson Boulevard, Chicago, where he has been located for a number of years.

BAYUK CIGAR DIVIDEND

Directors of Bayuk Cigars, Inc., have declared a quarterly dividend of 37½ cents a share payable January 15, 1932, to stockholders of record December 31st. Formerly the company paid 75 cents quarterly on the common stock.

The regular quarterly dividend of $1.75 on the first preferred stock was also declared, payable January 15th to stockholders of record December 31st.

URGE REDUCTION IN PENNSYLVANIA ACREAGE

IN HIS annual report on the outlook for the tobcaco crop in Pennsylvania, H. Andrew Hanemann, market analyst of the Bureau of Markets, urges Pennsylvania tobacco growers to reduce their acreage 25 per cent. next year.

Mr. Hanemann's report states: "It is evident that a big decrease in the production of cigar leaf is needed. If tobacco growers would decrease their acreage by 25 per cent. next year, most of the factors contributing to the present low prices for cigar leaf would disappear. The very low average price of 6.4 cents per pound, received by Pennsylvania producers for the 1930 crop was 3.7 cents below the average received by Ohio producers for a similar type of tobacco.

"If production is reduced, then, after the current business and industrial stagnation disappears, the growers of cigar tobacco will be in a good position to earn a real profit from their productive activities."

The report discloses that stocks of Pennsylvania tobacco held by manufacturers and dealers are the smallest on record, but stocks of Ohio and Wisconsin leaf increased during 1931. All this type is filler tobacco, so that the decrease in Pennsylvania is more than offset.

Mr. Hanemann predicts a good demand for Pennsylvania tobacco because of the popularity of the five-cent cigar and the high quality of the crop produced this year.

SPECIALTY DISPLAYS SUCCEEDS SPECIALTY DISPLAY CASE COMPANY.

Announcement is made of the purchase from the receiver of the Specialty Display Case Company of all its assets by Specialty Displays, Inc., of Kendallville, Ind.

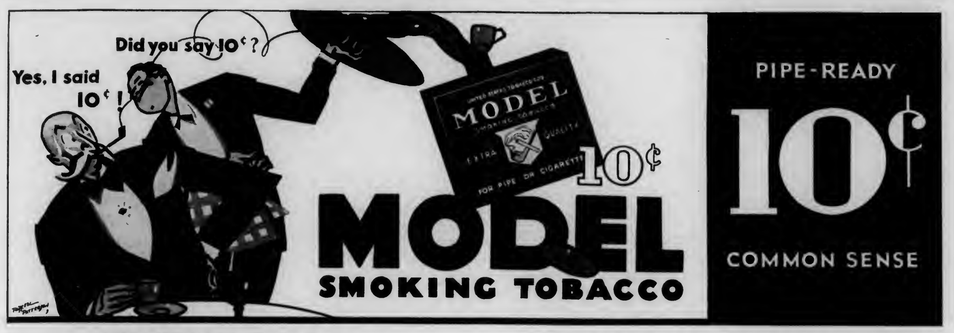
The new ownership brings to this old-established business a substantial financial structure, retaining the same responsible operating personnel of all its department heads. These men have had years of experience in designing and producing the better display cases.

The new corporation will be operated under a greatly reduced overhead which saving will be passed on to its valued customers on both re-orders and new designs.

L. S. Levy, who has been actively connected with the business since 1917 will be general manager of the new corporation.

SALESMEN LEAD IN AUTO SLOGAN WRITING CONTEST

Salesmen seem to know how to put punch into their words, for 22 of the first 150 winners of automobiles in the "Cremo" cigar contest are engaged in sales work, according to the American Cigar Company. The contest has shown, too, that housewives not only know good advertising when they see it but also how to prepare good copy, since eight housewives, the second largest group by occupations, have been awarded automobiles by the judges. Awards are based on twenty-word slogans explaining the merits of "Cremo" cigars. One automobile is awarded each day, except Sundays, the winners being announced every night at 7:15 for the East and 11 o'clock for the West, Eastern Standard Time, during the Bing Crosby program over the Columbia network. Two newspaper reporters, one of them a woman, and the editor of a weekly newspaper, are also among the winners.



1931 TOBACCO CROP LESS

TOBACCO production in the United States in 1931 was about 1.5 per cent. less than the record crop of 1930, according to the United States Department of Agriculture co-operating with the Pennsylvania Department of Agriculture, in a report just issued, but acreage was reduced about 4 per cent.

The cigar filler class, comprising the Miami Valley, Georgia and Florida sun-grown and Pennsylvania seed-leaf types, has shown a continuous increase in acreage and production since 1929. Production of the cigar binder class was 9.2 per cent. less than in 1930 and 4.5 per cent. above the 1929 crop.

The Pennsylvania crop is reported excellent in yield and outstanding in quality. The dry warm weather was very favorable for curing. Only a small percentage of the crop had been sold to December 1st.

The Pennsylvania crop was reported as 58,487,000 pounds, with an average production of 1430 pounds per acre.

The total United States crop was 1,610,098,000 pounds, with an average production of 797 pounds per acre.

B. A. T. DIVIDEND

The British American Tobacco Company has declared a final dividend on the £1 ordinary shares of 8d free of British income tax, compared with 1s 8d tax free last year.

Interim dividends during the year were unchanged, totaling 40d, so that full dividend payment for the year on the ordinary shares amounts to 48d, compared with 60d in 1930.

The company also decided to pay an interim dividend of 10d, tax free, a share on the £1 ordinary shares on January 25th, unchanged from last year.

CARRERAS INCOME OFF

Carreras, Ltd., manufacturers of tobacco and cigarettes, reports for the year ended October 31, 1931, total income from trading profit, dividends on investments and transfer fees of £769,517, compared with £1,001,370 in the previous fiscal year. After deducting expenses, depreciation, directors' fees, income taxes and reserve for fluctuations in exchange, net income amounted to £687,806, compared with £754,478 in the previous fiscal year.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
CHARLES D. COLEMAN, Chicago, Ill. ..... Vice-President
ABRAHAM SILETT, 1153 Herkimer St., Brooklyn, N. Y. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

BOYS' SCHOOL TO PERMIT SMOKING

Santa Claus left 350 pipes under the big tree at the State School for Boys, at St. Charles, Ill. They were for boys of fifteen and up.

"The boys want to smoke and will contrive to do it some way or other," explained Superintendent Otto A. Elliott. "We've had trouble in the past, when they smoked cornsilk, leaves and twine. They even picked up cigar and cigarette butts on the highway running through the school. Now we're going to have supervised smoking."

Fifteen-minute periods after lunch and supper will be set aside for the boys to take out their pipes, fill the bowls from common containers and light up.

HOW STATE TAXES AFFECT BUSINESS

AMERICAN Tobacco Company common and common B shares are currently selling on the lowest price-earnings ratio for many years. With the sharp advance in earnings in the past five years, the shares sold at the highest ratio in the history of the company, but, with the decline in the general stock market, the prices have moved lower, contrary to the trend of earnings.

At a price of about 73, the common B stock was selling for only 8.5 times last year's earnings and George W. Hill, president of the company, has stated that earnings for the first ten months of the year were greater than those in the like period last year.

At the high of 1929 the common stock sold at 20.3 times the year's earnings per share, the highest valuation placed on the company's earning power since dissolution of the trust in 1911. The low price for that year was also the greatest number of times earnings at which the common B stock sold at the low point of any year, since the dissolution of the trust.

In 1930, a generally lower valuation was placed on earning power, and, at the low prices this year, the market placed the lowest valuation on earning power of any year since 1922.

While the deflation in security prices, generally, probably accounts mainly for the low price for American Tobacco common shares, in some quarters apprehension has arisen regarding the effect on the company's earnings of the tendency of the States toward taxing cigarettes.

Thus far this year, there has been a decline in cigarette consumption for the industry, and while it is probable that the greater part of this has been due to the reduced purchasing power of the consumer, some of it must be attributed to resentment against the State taxes, and also to the higher prices forced by State taxes.

The first effect of the State taxes has been an increase in interstate commerce in cigarettes. In some States, a representative of a cigarette mail order company makes weekly trips accepting orders and money for cigarettes to be mailed in carton lots. This legal avoidance of the tax has grown to such a point that in Georgia a group of tobacco retailers appealed to the Governor for aid in combating the competition so generated.

The law is also evaded illegally through failure to affix stamps or through re-use of stamps. In most States, it is claimed that the violations of the law diminish as enforcement methods are perfected by tax officials, although the re-use of stamps continues a problem.

The assumption that the higher retail prices for cigarettes, made necessary by State taxes, have been mainly responsible for the drop of about 3 per cent. in cigarette consumption this year, has gained strength in some quarters, although it is manifestly impossible to gauge with accuracy the effect of prices as contrasted with the effect of the depression generally. Those who maintain that the price is responsible for smaller consumption argue that manufacturers will have to reduce prices so that cigarettes, in States which impose taxes, can again be sold for fifteen cents or less.

At present prices by manufacturers, chain retailers generally sell cigarettes for fourteen cents a package, although independent retailers obtain fifteen cents a package. Thus, a one cent a package tax might be added by the States without necessarily forcing the price over fifteen cents a package. However, the minimum tax now imposed by any State is 10 per cent. of the selling price, which is more than one cent a package.

Thus a two-cent tax or more generally imposed would force the retail price over fifteen cents a package, and, at these higher prices, might result in lessened consumption. The result of this, it is reasoned, in some circles, might be lower wholesale prices, to stimulate consumption.

This, however, ignores the attitude which the cigarette manufacturers might well assume. In the first place, the tobacco industry is now contributing to the revenues of the Federal Government only a little less than a half billion dollars annually.

This source of revenue for the Government is second only to the income tax, and is more than four times as great as the combined income of the ten largest cigarette, cigar, and snuff companies which, with the exception of the cigar business and some manufactured tobacco business, make almost all of the tobacco products consumed in the United States.

Furthermore, the present Federal tax amounts to six cents a package, or $3 a thousand. The manufacturer receives $3.04 per thousand while cigarettes at fifteen cents for a package are contributing in taxes a larger part of the price than any other article widely consumed contributes.

While there may be a drop in consumption this year because of the higher prices in States which tax cigarettes, there is no assurance that with better times the higher price would hurt sales. A price cut would immediately reduce earnings, which could only be offset by wage cuts or other economies, whereas the loss of income through decreased sales due to excessive taxation is less certain.

Further, it is not certain that the cigarette companies which already contribute such tremendous revenues to the Government (American Tobacco last year paid more than $150,000,000 to the Federal Treasury), see any need for price cuts. It is known that at the present time, at least, leaders in the industry see no concern regarding price stability.

This situation, however, is likely to be changed by the recommendation in President Hoover's budget message and Secretary Mellon's annual report for an increase of one-sixth in excise taxes on tobacco, with the exception of cigars.

Such action would either force an advance in price by manufacturers at least partially to absorb the increased tax, or, if the price remains unchanged, would result in a reduction in earnings, unless the lower gross income could be offset by economies.

With the present price $6.85 a thousand cigarettes, after deduction of trade discounts, the price is $6.04 a thousand, and the gross return to the manufacturer is only $3.04 when the government tax of $3 a thousand has been paid.

An increase in this tax to $3.50 a thousand would reduce the manufacturer's return to $2.54 a thousand. To avoid a sharp decline in earnings, therefore, manufacturers would be forced to practice every economy possible.

This might entail wage cuts, which the industry has so far found unnecessary. If such economies were necessary, they would probably further remove the likelihood of better prices being paid to the farmer for leaf tobacco.

Part of the taxes paid by American Tobacco Company are on its holdings of leaf tobacco. Because this

(Continued on Page 18)

CIGAR PRODUCTION STILL DECLINES

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of Internal Revenue collections for the month of November, 1931, and are issued by the Bureau. (Figures for November, 1931, are subject to revision until published in the annual report):

Products	*November*	
Cigars (large):	*1930*	*1931*
Class A.....No.	305,655,940	329,607,030
Class B.....No.	28,253,243	6,225,000
Class C.....No.	175,482,858	130,141,690
Class D.....No.	13,623,235	9,065,314
Class E.....No.	5,112,623	2,419,123
Total	528,127,899	477,458,157
Cigars (small) .....No.	27,498,773	21,666,000
Cigarettes (large) ..No.	569,956	450,258
Cigarettes (small) ..No.	7,951,588,370	7,849,803,470
Snuff, manufactured..lbs.	3,160,338	2,705,103
Tobacco, manf'd ....lbs.	22,815,370	25,229,734

NOTE: The above statement does not include tax-paid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of November:

Products	*November*	
Cigars (large):	*1930*	*1931*
Class A.....No.	12,706,100	8,278,510
Class B.....No.	333,500	104,750
Class C.....No.	969,760	587,050
Class D.....No.	2,000	4,500
Total	14,011,360	8,974,810
Cigars (small) .....No.	.....	1,000,000
Cigarettes (large) .....No.	.....	100,000
Cigarettes (small) .....No.	2,041,000	.....

Tax-paid products from the Philippine Islands for the month of November:

Products	*November*	
Cigars (large):	*1930*	*1931*
Class A.....No.	12,595,875	16,911,815
Class B.....No.	164,230	90,030
Class C.....No.	157,088	58,978
Class D.....No.	5,460	960
Class E.....No.	22,826	250
Total	12,945,479	17,062,033
Cigarettes (large) .....No.	.....	200
Cigarettes (small) .....No.	215,443	343,060
Tobacco, manufactured ....lbs.	130	186

NOTE: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Supplement to the November statement of Internal Revenue collections:

Objects of Taxation	*First five months Fiscal year*	
Tobacco manufactures:	*1931*	*1932*
Cigars	$9,003,884.34	$7,304,296.87
Cigarettes	154,608,054.22	140,183,285.98
Snuff	2,933,327.05	2,921,655.26
Tobacco, chewing and smoking	24,701,854.58	25,443,414.85

BIG NEWS

ROCKY FORD

THE NEW INVINCIBLE ARRIVES!

Every box overflowing with new "5¢" value . . . A bigger Rocky Ford . . . A better Rocky Ford . . . *Watch its smoke.*

P. Lorillard Co., Inc., 119 West 40th St., New York

LONG FILLER IMPORTED SUMATRA WRAPPER

5¢

© P. Lorillard Co., Inc.

LA PALINA

AMERICA'S LARGEST SELLING HIGH-GRADE CIGAR

JAVA WRAPPED

The Secret of the Blend

CONGRESS CIGAR CO., PHILA., PA.

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

MORE THAN 2,000,000 YEARS REQUIRED FOR ONE MAN TO SMOKE YEAR'S CIGARETTE PRODUCTION

IT WOULD take 2,378,000 years for one man to smoke up a year's output of American cigarettes if he smoked six cigarettes an hour, day and night. Bureau of Internal Revenue figures show that almost 120 billion cigarettes were made last year for consumption in this country, while Department of Commerce figures show that exports accounted for almost 5 billion more. This production of approximately 125 billion cigarettes a year is made possible through the adoption of modern manufacturing methods, as typified by such advances as the toasting process including the use of ultra violet rays which is employed by a leading manufacturer for the removal of certain harmful irritants naturally present in every tobacco leaf. Smoking six cigarettes an hour, a man could consume 144, or a little more than 7 packages, a day. Even at this extraordinarily high rate of smoking speed, this champion smoker would consume only 52,560 cigarettes a year. Counting the 144 cigarettes he would be able to add to his annual total every fourth year, he would have to keep steadily puffing away to finish his 125 billion in the allotted time.

LARGEST WHELAN STORE OPENED

The newest and largest unit of the Whelan Drug Company chain has recently been opened at Broadway and Forty-seventh Street, New York City, under the supervision of A. M. Rosenthal, president of the Whelan Drug Company.

The new store, which in the words of President Rosenthal, is typical of the establishments operated under the Whelan trade-mark, has two large cigar departments—one in the basement and one on the main floor.

There are three fountain-luncheonette counters. and the drug department, situated on the right side of the store, carries one of the largest supplies of drugs to be found in any store in that city.

In addition to these features, there is a book department featuring popular books at popular prices, a section reserved for household electrical goods and a sundries department carrying a variety of items.

In one particular the new store differs from other Whelan stores, Mr. Rosenthal points out; it has a tea room designed to accommodate those who care to enjoy their meals at their leisure, a departure that is duplicated by only one other member of the Whelan chain.

The space occupied by the new store was formerly occupied by a United Cigar Store, and Mr. Rosenthal says he feels confident that the new store will equal the volume of cigar business transacted by its predecessor.

The new store is under the management of L. A. Golden, who reported the opening sales indicated a promising future for the new establishment.

111-YEAR-OLD PIPE STILL IN USE

A meerschaum pipe, made 111 years ago, still is being used in Syracuse, N. Y. The pipe, the property of Joseph L. Underwood, was brought to America from Germany by his grandfather and Underwood states the pipe found its most usage during the Civil War, when it was carried into the battlefields, although it is twenty inches long.

News from Congress

(Continued from Page 8)

a bill introduced in the House December 15th, designed to amend the Revenue Act of 1926.

The legislation proposes the following scale of taxes: Cigars weighing not more than three pounds per 1000, 50 cents per thousand; large cigars, selling at not more than five cents each, $1.33 per 1000; selling at between five and eight cents, $2 per 1000; selling at between eight and 15 cents, $3.33 per 1000; selling at between 15 and 20 cents, $7 per 1000; selling at more than 20 cents, $9 per 1000; cigarettes weighing not more than three pounds per 1000, $2 per 1000; cigarettes weighing more than three pounds per 1000, $4.80 per 1000; snuff, 12 cents per pound.

Possible Violation of Anti-trust Laws by Chains Studied by Federal Trade Commission

Possible violations of the anti-trust laws by chain store organizations are under study by the Federal Trade Commission, it is disclosed in the annual report of the commission to Congress.

The investigation is directed particularly at the extent to which consolidations in the chain store industries have been effected in violation of the statutes, the extent to which such consolidations are subject to regulation under the Federal Trade Commission Act or the anti-trust laws, and what legislation, if any, should be enacted for regulating and controlling chain store distribution.

The commission is also gathering data as to the extent to which the chain store movement has resulted in monopoly in the distribution of any commodity and the possible resort to unfair methods of competition or agreements in restraint of trade involving chain store distribution. Another phase of the study will be devoted to the question of whether quantity prices are illegal and what legislation, if any, should be enacted with reference to them.

Postmaster General Recommends Postage Increase

A postage rate of three cents per ounce for first-class matter for other than local delivery, with retention of the present rate of two cents on matter for local delivery where carrier service provided and creation of a one-cent rate for local letters at offices where no carrier service is furnished, is recommended by Postmaster General Walter F. Brown in his annual report, just made public.

The report discloses that the department, during the fiscal year ending June 30th last, had a gross deficiency of $146,066,189 and a net deficit, arising from purely postal functions, of $98,018,881, an increase of nearly $48,000,000 over the preceding year. Postal receipts during the year fell off more than $49,000,000, declared by the Postmaster General to be "the sharpest decline which has ever occurred in the postal revenues."

Increased rates are recommended on first-class matter only as being the only field within which additional revenues can be secured in an amount which in normal times would suffice to meet the present scale of postal expenditures.

(Continued on Page 18)

Editorial Comment

(Continued from Page 3)

We have patiently listened to the stories of the care used in maintaining the highest grade of wrappers and the best of shading in packaging cigars, where the transparent wrapper is concerned.

Most of our friends know our antipathy for the non-porous covering, but three boxes drifted in among the Christmas remembrances wrapped in the transparency.

One box, a panatela size, looked wonderful beneath the sheen of the lucid wrapper. In order to put them in the humidor we removed the covering. The *top* row revealed a difference in length varying to the almost unbelievable amount of almost one-quarter of an inch.

In the case of the other two boxes, the cigars on the top row, if packed in their natural wrappers would hardly have passed for bottom rows in a box of "seconds."

Now this is not surmise, it is fact. It is an old story that many smokers buy "with their eye" and these cigars that we refer to could not have been sold in any showcase or on any counter, except "at a price." And we doubt that any retailer would have honored them with showcase or counter display.

And we want to add that two of these brands were of the blended type and nationally advertised. The third was a clear Havana brand of established reputation.

If the cigar industry can regain its prestige with such merchandise, then they need have no hesitancy in sending out salesmen with broken shoes, baggy clothes, dirty shirts and unshaven faces.

At a later date we will show by pictures that we have stated facts. And we will absolutely challenge any contention that the transparent wrapper does not permit the camouflaging of inferior merchandise, which we believe is one of the reasons why cigar smokers are seeking tobacco enjoyment in other forms.

GEORGE W. HILL EXPRESSES HIS VIEWS ON BUSINESS OUTLOOK

(Continued from page 6)

bacco products are used largely by the great mass of people, there is a growing public opposition to any further taxes, Federal or State, there being a recognition of the fact that tobacco is already paying more than its just share of taxes, and a realization that tobacco taxes already contribute about one-eighth of the Federal revenue.

"For the eleven months of 1931 for which figures are available production of cigarettes was only about 4 per cent. below the production for 1930. The maintenance of cigarette sales at a high level and with only a slight decrease from the peak years of 1929 and 1930 has been due to the merchandising courage of the tobacco companies. The industry, the diligence of these companies in their sales efforts have provided a market for our tobacco farmers and have paid wages and salaries to the hundreds of thousands engaged in manufacture and distribution. The American Tobacco Company—and I feel sure I can say the other large units of the industry also—will face the problems of 1932 with even more courage and determination than we did last year. We have done well, but we cannot rest on what we did in 1930 or 1931. We have a product to sell and it can be sold if we express our faith and courage in determined action."

HERE'S ANOTHER "YES" MAN SUPPORTING OUR VIEWS ON THE NON-POROUS PAPER

The following correspondence from a smoker who purchases about five thousand class D cigars a year for office use, and who had never heard of THE TOBACCO WORLD, indicates that the consumer doesn't need us to tell him there is something wrong with cigars today. He is already finding it out, but he doesn't know what to do about it.

The party obviously does not wish his name used, and we have also withheld the name of the distributor who supplies his office.

November 27, 1931.

Editor, THE TOBACCO WORLD,
233 Chestnut Street,
Philadelphia, Pa.

DEAR SIR:

I had occasion to be among a party of friends a few days ago and they were discussing an article which appeared, as I understood, in your publication and which referred to transparent wrappers on cigars.

I have been purchasing four to five hundred cigars a month and have been much dissatisfied since using this type of wrapper. They taste rather bitter and unpleasant, and seem to me to be musty. I have finally concluded that this change in the character of the cigars is apparently due to the extra covering which does not permit any ventilation and certainly does not allow the cigars to season properly as they formerly did when in the old-fashioned plan wooden box.

You will no doubt be interested in a letter which I recently wrote to the firm which supplies me with cigars. I am herewith enclosing a copy.

I firmly believe that your conviction that a non-porous wrapper does more harm than good to the qualities of a good cigar is true.

Yours very truly,

Here is the gentleman's letter to the firm which supplies him with his cigars:

November 20, 1931.

GENTLEMEN:

I am sorry to complain regarding the cigars. For sometime past, especially since they have been wrapped in that transparent paper, they have not had the aroma and at times smoked as though they were stuffy.

For further shipments please instruct your factory, if this can be done, to pack them in the plain wooden boxes as you are using, and leave them unwrapped.

Being a cigar smoker for a long period of time, I have concluded that the wrapping which is used on these cigars does not improve the flavor, but does more harm to the tobacco itself because in my opinion I believe tobacco should have ventilation and be packed up tightly as they are.

I trust you will give this matter your attention and oblige,

Yours very truly,

JEROME H. SHEIP CO., INC., TRANSFERS HEADQUARTERS TO APALACHICOLA, FLA.

The Jerome H. Sheip Company, Incorporated, manufacturers of cigar box lumber, with mills at Apalachicola, Fla., and offices at Mobile, Ala., advise the trade that, effective January 1, 1932, the offices at Mobile will be closed and moved to Apalachicola and consolidated with the offices at the mill.

The trade is advised that in order that there may be no delay, all communications for the Jerome H. Sheip Company, Incorporated, should be addressed to the company at Apalachicola, Fla.

D. EMIL KLEIN IN HAVANA

D. Emil Klein, of D. Emil Klein Company, manufacturers of "Haddon Hall," "Emanelo," etc., sailed for Havana on December 24th accompanied by Mrs. Klein. They expect to be away about three weeks.

TOBACCO PRODUCTS EARNINGS

Tobacco Products Corporation reports for ten months ended October 31, 1931, net profit of $1,938,582 after expenses, Federal taxes, etc., equivalent to 86 cents a share on 2,240,462 no par shares of Class A stock.

A FARMER'S OPINION

THERE seems to be so much talk about our so-called Republican prosperity, I believe it is my duty to write my views on the same and help to analyze the situation as far as possible, so we can make up our minds we ought to change our ways of living.

"I have taken my own case, for instance: I see my mistakes, and many others have acted likewise. I bought a car instead of a farm, and it wore out; but the farm I figured on is still O. K. I invested in a radio instead of a cow, and the radio gives static instead of milk.

"I am feeding five nice hounds instead of five pigs. I had our piano tuned instead of the well cleaned. I spent all my cash in 1928 and traded up my future wages on instalments in 1930, so hard times caught me in a bad shape last fall.

"If I had only spent my last $10 for flour and meat instead of gas and oil, I would have been O. K. I built a nice garage last year instead of covering my barn, and loafed in the mountains two weeks instead of being in the pasture fixing it so my cow won't get out; but she is dry, and mortgaged, to boot, for two blankets my wife bought from an agent instead of paying the preacher.

"I'm on a cash basis now, but I 'ain't got no cash.'

"Write or phone if you hear any relief from the Government coming down my way.

"Yours truly in pain,—"

—Chattanooga Times.

FRENCH SMOKERS ROLL THEIR OWN SCAFERLATIS

Scaferlatis is increasing in popularity in France, the Tobacco Division of the United States Department of Commerce reports.

Scaferlatis is not a new drink nor an outdoor sport, but is tobacco prepared for use in pipes and cigarettes, a la "Bull" Durham. In the last five years its consumption in France has increased by nearly eight million pounds.

Scaferlatis is by far the most used tobacco in France. Recent months have seen a tremendous increase in this type of tobacco in the United States, especially following the recent return of newspaper advertising for "Bull" Durham announcing the reduction in price of a sack from eight cents to a nickel. The trend toward the use of this form of tobacco is partially the result of the general economic conditions, and in certain localities is a protest against recent state taxes on ready-made cigarettes, according to tobacco experts.

Smokers are rolling their own scaferlatis today on the prairies, on Broadway, and on the boulevards.

CIGARETTES AS TAPE MEASURE

As all popular brands of cigarettes are made to a length of two and three-quarters inches, a cigarette can be used for measuring when there is no scale at hand, according to *Popular Mechanics Magazine*. Any short but confusing distance can be measured quite accurately by marking off the cigarette lengths with a pencil.

ELEVEN MONTHS WITHDRAWALS FOR CONSUMPTION

	First 11 Mos. Cal. Yr. 1931	*—Decrease +Increase Quantity*
Cigars:		
Class A—U. S. ..	3,476,683,085	+ 117,516,530
P. R. ..	124,002,465	+ 381,910
P. I. ...	153,180,760	+ 13,492,175
Total	3,753,866,310	+ 131,390,615
Class B—U. S. ..	163,348,073	— 204,992,399
P. R. ..	1,724,000	— 2,403,580
P. I. ...	1,172,837	— 527,553
Total	166,244,910	— 207,923,532
Class C—U. S. ..	1,280,831,744	— 397,856,824
P. R. ..	5,079,610	— 7,954,774
P. I. ...	499,884	— 562,828
Total	1,286,411,238	— 406,374,426
Class D—U. S. ..	82,053,644	— 31,823,150
P. R. ..	43,600	+ 16,000
P. I. ...	4,766	— 4,922
Total	82,102,010	— 31,812,072
Class E—U. S. ..	11,444,571	— 7,980,224
P. R. ..	1,500	— 1,100
P. I. ...	10,531	— 65,835
Total	11,456,602	— 8,047,159
Total All Classes:		
U. S. ..	5,014,361,117	— 525,136,067
P. R. ..	130,851,175	— 9,961,544
P. I. ...	154,868,778	+ 12,331,037
Grand Total ...	5,300,081,070	— 522,766,574
Little Cigars:		
U. S. ..	326,349,027	— 36,148,798
P. R. ..	7,500,000	+ 1,500,000
P. I. ...	.....	.....
Total	333,849,027	— 34,648,798
Cigarettes:		
U. S. ..	106,153,550,220	—4,796,640,704
P. R. ..	10,030,000	— 4,569,640
P. I. ...	1,954,010	— 796,243
Total	106,165,534,230	—4,802,006,587
Large Cigarettes:		
U. S. ..	5,094,682	— 1,795,838
P. R. ..	1,485,000	— 1,225,400
P. I. ...	1,900	+ 1,900
Total	6,581,582	— 3,019,338
Snuff (lbs.):		
All U. S.	36,891,775	— 174,919
Tobacco (Mfd.):		
U. S. (lbs.)	305,633,856	— 362,068
P. I.	1,109	— 883
Total	305,634,965	— 362,951

TOBACCO MAGAZINE ADVERTISING DECLINES

ADVERTISING expenditures by the tobacco industry in national magazines and farm magazines both showed a decline in December as compared with December, 1930, but the totals for the entire year were only 1.9 per cent. behind 1930. Radio broadcast advertising over national networks continued its increasing trend during November, registering a gain considerably higher than the average gain for the year, according to the Business Survey Department of Dorrance, Sullivan & Company, New York advertising agents. The December expenditure in national magazines was $592,641, 17.2 per cent. less than the figure of $716,016 registered for the same month a year ago. $457,262, or 77.2 per cent. of this amount, went to advertise cigarettes; $128,433, or 21.6 per cent., went for manufactured tobacco and smokers' supplies; and the remainder of $6946, or 1.2 per cent., went for cigars; $42,250, the expenditure in national farm magazines, was 10.8 per cent. less than for December last year. For both national and farm magazines the total was $634,891, off 16.8 per cent.

For the entire year, national magazines showed a loss of 3.4 per cent. from $6,577,764 to $6,353,494, but farm magazines gained 29.7 per cent., from $325,975 to $422,600. Taking the two together, the total expenditure in magazines for 1931 was $6,776,094, 1.9 per cent. behind the total of $6,903,739 for 1930.

Radio advertising by the tobacco industry over national networks during November, the figures for which have just become available, amounted to $578,-052, representing a gain of 194.7 per cent. over last year's figure of $196,132. For the first eleven months of 1931 the gain was 156.1 per cent., from $1,858,834 to $4,759,807. For national magazines, farm magazines and radio, the November total was $1,292,561, an increase of 44.7 per cent. over last year, while the eleven-month total for these three media was $11,101,010, a gain of 38.8 per cent. over $7,999,207 spent in the like period of 1930.

A. T. CO. NOW HAS 95% OF CIGAR CO. STOCK

Following the offer of the American Tobacco Company to purchase any quantity of the stock of the American Cigar Company offered, at a price of $80 for the common and $100 for the preferred, which offer expired on December 21st, it is reported that the American Tobacco Company acquired sufficient additional stock so that their holding now approximates 95 per cent. of the stock outstanding.

The American Tobacco Company has always held control of the stock in the American Cigar Company, owning approximately 70 to 80 per cent. of the common stock and 85 per cent. of the preferred.

SAUNDERS JOINS BOBROW BROTHERS

C. W. Saunders, one of the best-known cigar salesmen in this and southeastern territories, has severed his connection with the Cortez Cigar Company, with which company he has been associated for several years, and joined the sales force of Bobrow Brothers.

Mr. Saunders' territory will extend from Washington, D. C., to Florida, and "Bold" and "Cliveden Hall" cigars can be expected to show a nice sales increase in that territory under the able direction of Mr. Saunders.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—APPROXIMATELY 70,000 POUNDS, PACKED WEIGHT, Southern Wisconsin tobacco—3 to 12 years old. L. G. Anderson, 2127 Iowa Street, Chicago, Ill.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

WAGNER BUSINESS WELL AHEAD

At John Wagner & Sons, Dock Street, distributors, I. B. White, manager of the cigar department, reports a wonderful business on Christmas orders, which will eclipse last year's business in volume for the same period.

A short time before Christmas it became evident from the amount of reorders that retailers had suddenly arrived at the conclusion that Christmas business this year was going to be good in spite of many predictions to the contrary, and there was a hurried rush to get additional stock, which in some instances could not be done.

The "Carl Upmann," "Garcia y Vega," and the private brands of John Wagner & Sons, "Monticello" and "Wagner," had an unusually heavy sale and they were entirely oversold on some sizes of these brands. The recently introduced cigarette "Condossis" also enjoyed a particularly heavy sale, and sales of imported brands of cigars was entirely up to normal.

AMERICAN SUMATRA TOBACCO REPORT

The consolidated balance sheet of the American Sumatra Tobacco Corporation and subsidiaries, as of October 31, 1931, shows total assets of $7,975,180 as against $7,999,978 on the same date of last year. Cash dropped from $358,303 to $298,721.

Stock held in the treasury increased to $364,804 from $317,399, and notes and accounts receivable dropped to $413,040 from $519,235.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

TRANSFERS

WILLIAM H. SEWARD:—19,032 (Tobacco Leaf). For cigars. Registered May 12, 1900, by the American Litho. Co., Chicago, Ill. Through mesne transfers acquired by the American Box Supply Co., Detroit, Mich., and re-transferred to Masterpiece Cigar Co., Grand Rapids, Mich., November 1, 1929.

KNOWLEDGE:—23,756 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered January 7, 1901, by American Litho. Co., Chicago, Ill. Through mesne transfers acquired by S. Frieder & Sons, New York, N. Y., and re-transferred to Louis K. Liggett Company, New York, N. Y., December 4, 1931.

REYNALDO:—117,705 (U. S. Patent Office). For cigars, cheroots and little cigars. Registered July 24, 1917, by Reynaldo Cigar Co., Inc., Philadelphia, Pa. Transferred to The S. Frieder & Sons Co., New York, N. Y., and re-transferred to Louis K. Liggett Company, New York, N. Y., December 4, 1931.

LA FLOR DE RIZAL:—41,832 (T. M. A.). For cigars. Registered August 19, 1920, by Walter E. Olson & Co., Manila, P. I., and New York City. Transferred to "El Oriente," Fabrica de Tabacos, Inc., Manila, P. I. (The latter being successors to Walter E. Olsen & Co.)

FIGHTING BOB:—41,833 (T. M. A.). For cigars. Registered August 19, 1920, by Walter E. Olsen & Co., Manila, P. I., and New York City. Transferred to "El Oriente," Fabrica de Tabacos, Inc., Manila, P. I. (The latter being successors to Walter E. Olsen & Co.)

LA LINDA FILIPINA:—41,835 (T. M. A.). For cigars. Registered August 19, 1920, by Walter E. Olsen & Co., Manila, P. I., and New York City. Transferred to "El Oriente," Fabrica de Tabacos, Inc., Manila, P. I. (The latter being successors to Walter E. Olsen & Co.)

SUN RAY:—22,389 (Tobacco World). For cigars, cigarettes, cheroots, chewing and smoking tobacco, and in Tobacco, for cigars. Registered May 29, 1911, and May 27, 1911, respectively, by S. R. Moss Cigar Co., Lancaster, Pa. Through mesne transfers acquired by L. W. Killeen, Schenectady, N. Y., and re-transferred to Fred. E. Druck & Co., Dallastown, Pa., December 11, 1931.

HOW STATE TAXES AFFECT BUSINESS

(Continued from page 12)

tobacco must be held for from two to three years, it is taxed twice for property taxes, somewhat like fixed assets.

It might be to the advantage of the cigarette companies to take a stand against crushing taxation, and permit production to decline, if such action would take place because of high prices necessitated by taxes.

If this happened, legislatures would soon become aware of the working of the law of diminishing returns, which, at present, many hardly seem to comprehend. On the other hand, a concession in price by manufacturers to the taxation tendency of the legislatures might encourage further taxes, and would, in any event, give legislatures more margin on which to work.—*Wall Street Journal.*

News from Congress

(Continued from page 14)

"A 2½-cent rate, as recommended last year," the Postmaster General explains, "would produce additional funds amounting on the present mail volume to about $50,000,000 yearly. Under ordinary conditions this would probably be sufficient to balance the budget and keep it balanced against the existing scale of salaries and transportation charges.

"A 2½-cent rate would, however, obviously fall far short of producing adequate revenues at the present time. The deficit for 1931 attributable to strictly postal operations was more than $98,000,000 and, if present trends are maintained, the net deficit for the current year will be in the neighborhood of $150,000,000. This raises the question whether, in view of the already overtaxed condition of the general Treasury, it would not be advisable, pending the return of normal conditions, to fix a 3-cent rate for letter mail.

"Such a rate would have balanced the budget for 1931 and would have reduced the probable operating deficit and the corresponding drain upon the Treasury from $150,000,000 to about $50,000,000 for the fiscal year 1932. It cannot be overlooked that in 1931 one-sixth of the Treasury deficit was attributable to the loss in post office operations. It is my opinion that the adoption of a 3-cent rate on non-local letter mail should be given careful consideration by Congress in connection with any measures which may be proposed to provide increased revenues for the support of the Government generally, with a view to relieving the Treasury to the greatest extent practicable of the burden of supporting the postal function."

Other recommendations in the report call for the imposition of an additional fee of ten cents for handling insured, registered or collect-on-delivery matter the delivery of which is restricted to the addressee only; an increase to $10,000 in the maximum indemnity to be paid for registered matter not insured with any commercial agency, fees for registration to be based on both value and length of haul, and the granting of authority to the Postmaster General to the fees for insured and collect-on-delivery service and for money orders.

NO TOBACCO TAX FOR NEW YORK

While no definite information has been issued from the Executive Mansion at Albany, N. Y., Governor Roosevelt has completed his budget covering State expenditures for the year 1932, which will be submitted to the Legislature on January 12th.

The budget includes $150,000,000 to be raised by additional taxation, and it is believed that no additional taxes on cigarettes or tobacco products will be recommended.

DIAMOND MATCH REPORTS

Diamond Match Company and subsidiaries report for the nine months ended September 30, 1931, consolidated net income of $1,903,401, after depreciation, amortization, Federal taxes, etc., as compared with $2,086,690 in the first nine months of the previous year.

JANUARY 15, 1932

VOLUME 52 No. 2

THE TOBACCO WORLD

LIBRARY RECEIVED JAN 18 1932 U.S. Department of Agriculture

13 2

BIG NEWS

ROCKY FORD

THE NEW INVINCIBLE ARRIVES!

Every box overflowing with new "5¢" value . . . A bigger Rocky Ford . . . A better Rocky Ford . . . *Watch its smoke.*

P. Lorillard Co., Inc., 119 West 40th St., New York

LONG FILLER
IMPORTED SUMATRA
WRAPPER

5¢

© P. Lorillard Co., Inc.

LA PALINA

AMERICA'S LARGEST SELLING HIGH-GRADE CIGAR

JAVA WRAPPED

The Secret of the Blend

CONGRESS CIGAR CO., PHILA., PA.

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

TOBACCO AGENTS FOR THE PHILIPPINE GOVERNMENT

CHARLES A. BOND
DAVID F. MORRIS

15 William Street
New York City.

September 18,1931

Mr. E.M. Henofer, Pres.,
Wooden Cigar Box Boosters Club,
216 Seaside Ave.,
Atlantic City, N.J.

Dear Sir:

For some years I have followed closely your campaign to protect the cigar industry by advocating the continued use of wooden boxes.

In this connection,permit me to say that Manila cigars are packed one hundred percent in cedar boxes. Experiments have been made with other materials in the past,but, the Manila manufacturers find that nothing can take the place of wood to preserve the quality of cigars.

It may interest you to know that the Manila trade is expanding and that shipments show a gain of about seven percent over last year. Clean, wholesome cigars, carefully packed in wood is the answer.

Respectfully yours,
C. A. Bond
Philippine Tobacco Agent

MANILA CIGARS *are packed*.....
100% IN WOODEN BOXES

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52

THE TOBACCO WORLD

Number 2

Established 1881
TOBACCO WORLD CORPORATION
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Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
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$2.00 a Year — PHILADELPHIA, JANUARY 15, 1932 — Foreign $3.50

FREIGHT RATES ON TOBACCO INCREASED

THE following bulletin has been received from the Tobacco Merchants Association in reference to the recent decision of the Interstate Commerce Commission permitting the railroads to increase freight rates:

The Interstate Commerce Commission has rendered its final decision in the case covering the application of the railroads of the country for a 15 per cent. increase in freight rates.

The application for that basis was denied, but the Commission authorized a moderate increase to be applied to practically all traffic and these rates became effective on January 4th, by special tariffs filed on short notice by all of the carriers of the country.

The effect of this adjustment will be an increase of 1¢ per 100 pounds on raw leaf tobacco (carload or less) and on unmanufactured tobacco cuttings, siftings, scraps or sweepings, and an increase of 2¢ per 100 pounds on manufactured tobacco and practically all materials going into the manufacture thereof.

It may be some State Commissions will refused to apply this schedule on their *intrastate* business, but definite information is not available as to the extent of such refusals, if any. However, the foregoing will definitely apply to all *interstate* business.

In the Commission's decision, it authorized this rate of adjustment for a period of of fifteen months, and the tariffs providing for this charge will expire on March 31, 1933, unless sooner cancelled or extended.

In Re Proposal of Carriers in Eastern Trunk Line Territory to Cancel Commodity Rates

The carriers in Eastern Trunk Line Territory have submitted a docket proposing the cancellation of all commodity rates on *manufactured and unmanufactured tobacco* from points in Trunk Line Territory to all points in official classification territory with the exception of commodity rates now in effect between Richmond, Petersburg, Norfolk and Hopewell, Va., on the one hand, and New York, Philadelphia and Baltimore on the other.

The effect of this would be the application of the full class rate to any traffic that is now enjoying a commodity basis lower than such class rate, and if your traffic is affected, it is suggested that you immediately file protest with the representatives of the carriers with which you deal, sending a copy thereof to us; and if you wish, this office will be glad to co-operate with you in that regard, but of course it will be necessary for you to furnish us essential data and information bearing on the subject matter.

No date has been set for the cancellation of these rates, but the ordinary procedure is that if requests are received for public hearings, the Rate Committee will set a date for such hearing, and if no protests are received, it is very probable that the next supplements to the tariffs carrying your rates will provide for their cancellation and the substitution of the full class rates.

TRAFFIC BUREAU,
TOBACCO MERCHANTS ASSOCIATION
OF THE UNITED STATES,
By GEORGE C. LUCAS,
Traffic Manager.

REYNOLDS EARNINGS MAKE NEW RECORDS

EARNINGS of the R. J. Reynolds Tobacco Company for 1931, as announced on Wednesday, established a new high record for the company, totaling $36,396,816, or $3.63 a share, compared with $34,256,664 for 1930, or $3.42 a share.

These earnings are after deductions of all charges, including provision for interest, Federal and State income taxes and depreciation.

Cash dividends of $30,000,000, or $3 a share, were paid in 1931, the disbursements totaling the same as in 1930.

It was pointed out in the company's announcement that the gain "in earnings adds another year to the company's unbroken record for steady and consistent growth from year to year for more than a decade. Stockholders of the company increased by one-third during the year."

"The financial condition of the company," says S. Clay Williams, president, in his letter to stockholders, "is presented on the same conservative basis as in former years, with the nominal sum of $1 assigned to its well-known and valuable brands, trade-marks and goodwill. There is no bank debt and no outstanding bonds or preferred stock. Net current assets at December 31, 1931, amounted to $128,242,251.20. In addition to this, as noted on the statement, the company has an investment in shares of its own stock at a figure which is less than market price at December 31, 1931. This investment, somewhat larger than that at the close of the preceding year, produces a very attractive yield as compared to what could be obtained from any equivalent high-grade security in which surplus cash funds could be placed. No part of the earnings shown in the treasurer's report for the year was derived from the sale of stock.

"The company's plants, equipment and methods are, as always, maintained at a high state of efficiency, and inventories of raw materials and manufactured products are well balanced."

Undivided Profits Income

Undivided profits increased to $62,233,341 as of December 31, 1931, from $55,836,525 at the end of December, 1930, through the addition of a balance of

(Continued on Page 16)

GEORGE LEX JOINS ZIFFERBLATT COMPANY

LAST WEEK it was announced that George M. Lex, well-known figure in the cigar industry for more than twenty years, and until the closing of the Congress Cigar Company offices here a few weeks ago associated with the Congress Cigar Company as general office manager, has become associated with George Zifferblatt & Company in the capacity of secretary of the firm.

George M. Lex

Mr. Lex will be remembered as having been associated with the 44 Cigar Company as treasurer at the time of its merger with the Consolidated Cigar Corporation, and later associated with William Steiner Sons & Company, of New York, lithographers. Following that he became associated with the Congress Cigar Company as general office manager, which position he filled until a few weeks ago when the offices of that company were removed to Newark and consolidated with those of the Porto Rican-American Tobacco Company and those of Waitt & Bond, Incorporated.

Mr. Lex is recognized as having outstanding executive ability and both he and George Zifferblatt & Company are to be congratulated.

George Zifferblatt & Company have been particularly successful in marketing their "Habanello" brand, which has grown in sales from $100,000 the first year to more than $1,000,000 in sales in 1931, with every expectation of surpassing the $2,000,000 mark in 1932.

Mr. Lex expects to assume his new duties with George Zifferblatt & Company before the end of January, after he and Mrs. Lex have had a short vacation in Florida.

George Zifferblatt is leaving for Havana, where he will look over the crop of Havana tobacco for his brand requirements. He will be accompanied by his father, Morris.

CIGARETTES DROP IN DECEMBER

ACCORDING to an advance estimate of cigarette production for December as revealed from collections from stamps sold by the Internal Revenue Bureau, production of cigarettes for that month will probably show a decrease of at least a billion cigarettes, or about 12 per cent., as compared with the same month of 1930 when production showed an increase of 413,362,460, or a gain of 4.32 per cent. over the same month of 1929.

On the basis of the December estimate, production of cigarettes for the industry last year would be 113,826,268,000, as compared with 119,624,909,917 in 1930, a decrease of 5,796,641,227, or 4.7 per cent.

WIDOW OF CIGAR MANUFACTURER DIES

Funeral services for Mrs. Christina von Klee, widow of Robert von Klee, who conducted a cigar factory at Thirteenth Street and Girard Avenue for more than thirty years, was held on Friday, January 8th.

Mrs. von Klee, who was sixty-six years old, died on Tuesday in Presbyterian Hospital, where she had been removed from her home on Monday. She had been in ill health for a long time.

She was the granddaughter of Louis Ertell, former Mayor of Egg Harbor City, N. J., and her husband was the son of Baron Rupert von Klee, of Magdeburg, Germany.

She is survived by three daughters, Mrs. Samuel Reckefus, Mrs. A. V. Springman and Miss Gladys von Klee, and two sons, Herbert and Robert.

Funeral services were held from undertaking parlors at 1820 Chestnut Street, and interment was made at Pomona, N. J.

TAMPA PRODUCTION OFF 10% FOR YEAR

Final figures of cigar production by Tampa factories as compiled by the Internal Revenue Department for the year 1931 disclose a total of 408,973,152, which is a decrease of 44,253,000 as compared with production for the year 1930, and this is not considered a bad showing when it is taken into consideration that the great bulk of the production in Tampa is on high-priced merchandise.

Production in December was 18,008,000 cigars, made up as follows: Class A—10,172,000; Class B—317,000; Class C—5,894,000; Class D—1,569,000, and Class E—47,000.

MANILA TOBACCO TO SHOW ORIGIN

As a result of a complaint by certain American handlers of Philippine cigar leaf, the Tobacco Board at Manila adopted a resolution requiring that all tobacco exported to the United States in a partially manufactured form must show on the bale the place of origin. Growers and packers handling Isabela and Cagayan have been placed at a disadvantage through the exportation of tobacco from other provinces where inferior tobacco was produced.

GENERAL CIGAR DIVIDEND

The board of directors of the General Cigar Company, Incorporated, have declared a regular quarterly dividend of $1 on the common stock of the company, payable February 1st to stockholders of record January 16th, and a quarterly dividend of $1.75 on the 7 per cent. preferred stock, payable March 1 to stockholders of record February 20.

Have you smoked a CAMEL lately?

If you want to enjoy cool, smooth mildness in a cigarette—*real* mildness—just try Camels in the Camel Humidor Pack.

It's like giving your throat a vacation—so free are Camels from the slightest trace of bite or burn or sting.

Women, because their throats are more delicate than men's, particularly appreciate this relief from the hot smoke of parched dry-as-dust tobacco, and are switching to Camels everywhere.

The secret of Camel's unique mildness is that the blend of fine Turkish and mild Domestic tobaccos of which they are made is brought to the smoker in prime factory-fresh condition.

All the fragrance and aroma of these tobaccos — and all the natural moisture which means cool flavorful smoking — is preserved intact for you by the Camel Humidor Pack.

So try Camels and see what it means to smoke fine cigarettes — kept fine — switch to them for just one day — then leave them — if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

"Are you Listenin'?"

R. J. REYNOLDS TOBACCO COMPANY'S COAST-TO-COAST RADIO PROGRAMS

CAMEL QUARTER HOUR, Morton Downey, Tony Wons, and Camel Orchestra, direction Jacques Renard, every night except Sunday, Columbia Broadcasting System

PRINCE ALBERT QUARTER HOUR, Alice Joy, "Old Hunch," and Prince Albert Orchestra, direction Paul Van Loan, every night except Sunday, N. B. C. Red Network

See radio page of local newspaper for time

● *Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against perfume and powder odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time*

CAMELS

***Made* FRESH — *Kept* FRESH**

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.

"LA PALINA" SALES GAINING

HAROLD CHRISTIAN, manager of the local jobbing department of the Congress Cigar Company, reports a splendid volume of sales on "La Palina" cigars since the first of the New Year when a reduction was made in the wholesale price of the brand.

At that time the Senator size was reduced in price to retail at ten cents, from two for a quarter; the Magnolia size now retails at two for a quarter instead of fifteen cents, and the Perfecto Grande size now retails at fifteen cents instead of three for a half dollar. The Excellente size, formerly a ten-cent seller, has been discontinued.

BROGAN CONFINED TO HIS HOME

Paul L. Brogan, vice-president of Yahn & McDonnell, cigar distributors, 617 Chestnut Street, has been confined to his home for several days due to an attack of laryngitis. The many friends of Mr. Brogan will be glad to learn that he is well on the way to recovery and expects to be able to return to his desk by the end of the week.

Steve Hertz, sales manager for D. Emil Klein Company, was in town on Tuesday visiting Yahn & McDonnell, who distribute "Haddon Hall" cigars here. Mr. Hertz reports a very good business for 1931 with excellent prospects for 1932.

Irving Schlessinger, of the Lion Match Company, was a caller last week and reports a splendid call for their monogram matches.

Abe Caro, the dynamic sales representative of A. Santaella & Company, was in town last week and pleased with "Optimo" sales. A crew of painters are now busy throughout the city placing "Optimo" signs on retailers' windows with good effect.

CLERK FOILS HOLDUP

An attempted holdup in a cigar store at Thirteenth and Filbert Streets was frustrated on Monday night last week by Michael Harrison, of 1601 North Fifty-second Street, a clerk in the store.

A young man entered the store, pointed a gun at Harrison and demanded the money in the register. Harrison started towards the register as if to obey, but on his way he stepped on the burglar alarm button and the bandit fled when the bell rang.

"BAYUK BRANDS BUILD BUSINESS"

AT BAYUK CIGARS, Incorporated, headquarters, where Bayuk cigars are manufactured by the millions in the giant humidor factory, they report an improved tone in business for 1932, with their brands getting off to a good start and showing an increase for this period of the year over the same period of last year.

Lesure Brothers, Danville, Ill., are getting a fine start on Bayuk cigars in their territory, and have been assisted by Frank J. Horning, Bayuk specialty man, in their efforts.

At Buffalo, N. Y., where Bayuk cigars are distributed through The Kearney-Lehman Company, reports have been received that Bayuk brands are showing an increased demand. C. T. Clifford, Bayuk salesman, is assisting The Kearney-Lehman Company to produce a larger volume of sales.

J. N. Carr, Elkhart, Ind., distributor, is being assisted by Bayuk's territorial manager, F. B. Mueller, in preparing for an increased business during January on Bayuk's "It's Ripe Tobacco Cigars."

A. Joseph Newman, Bayuk's sales manager, who has been confined to his home for several weeks due to illness, is making steady gains in health and expects soon to be back at his desk. The old saying, "It's hard to keep a good man down," has certainly proven true in Mr. Newman's case, and he is "just rarin' to go," and it takes the combined efforts of his physician, family and friends to convince him that he is not yet ready.

J. C. HOWARD A VISITOR

J. C. Howard, sales representative of Schwab, Davis y Ca., manufacturers of the "Pancho Arango" brand, was a visitor at John Wagner & Sons, Dock Street distributors, on Monday, and reports a highly satisfactory business during 1931, and getting off to a good start in 1932.

A. D. Condossis, of the Condossis Tobacco Corporation, was also a visitor at the Wagner headquarters last week.

The "Condossis" cigarette, a newcomer in the market, is meeting with exceptional success under the guidance of John Wagner & Sons, and has been a steady seller from the day of its introduction here.

The "Condossis" cigarette is manufactured in three different sizes and blends: "King Condossis"—full size and all Turkish tobacco; "Prince Condossis"—medium and also all Turkish tobacco, and the "Count Condossis"—regular size and blended of Virginia and Turkish tobaccos.

"I swore off harsh irritants"

THE LONGEST NAME IN MAZDA LANE!

"Twelvetrees" is a tough name on electric lights, but Helen wouldn't change it...not even after she middle-aisled it. She's a Brooklyn girl. She studied art but paints only her own furniture now. Helen is Hollywood's best bridge player. She loves to climb mountains...where even the goats have to wear skid chains. Watch for her new RKO-PATHE PICTURE "PANAMA FLO." Helen's smoked LUCKIES for two years...and there was no price tag on her statement!...LUCKY STRIKE is grateful!

"Certainly I am on the LUCKY list. Last summer, while camping in the high Sierras, I hiked six miles to get my supply of LUCKY STRIKES. I swore off harsh irritants when the talkies first started—and I've smoked LUCKY STRIKES ever since. And that improved Cellophane wrapper of yours—with the little tab for easy opening—is a gem." Helen Twelvetrees

"It's toasted"

Your Throat Protection—against irritation—against cough

And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N. B. C. networks.

PHULOFAX APPRECIATES CO-OPERATION

PHIL M. PHULOFAX, D. B. I., associated with Bayuk Cigars, Incorporated, has just about made up his mind that he is going to have a lot of billheads printed and send them to some of the cigar retailers whose names he could mention but won't. This announcement Mr. Phulofax made to a representative of this magazine recently when interviewed in his office regarding certain material scheduled to appear in the advertising pages of this publication. Asked to state what he had in mind, Mr. Phulofax said:

"I'm dead serious when I say I'm thinking of sending out bills to certain retailers I know. But they'll not be like the average bill, with demand for payment of a certain specified number of dollars and cents. Instead, they'll read something like this:

"To Phil M. Phulofax, D. B. I., Debit:
"For One Idea, supplied to Mr. A. Cigar Retailer, Esq.
"Amount of Charge: One of Mr. A. Cigar Retailer's good selling hunches.
"Received Payment—(when I get the idea so I can pass it along to all other cigar retailers.)
"(Signed) Phil M. Phulofax."

"What I'm getting at is that I've recently heard some of the retailers for whom my sales messages are intended have been making use of some of the pointers contained in them. Sometimes, I understand, they've put them into practice virtually without a change. Just as often they've adapted them to meet their own particular needs. I'm glad to hear this for they are the progressive members of our group but each and every one of them has a flock of sales building ideas he uses from time to time and I believe he owes it to his fellow cigar retailers to send them in to me so I can pass them along for the good of the industry. As for all of this talk of mine about billing the users, of course I really don't intend to do it, although, personally, I think it would stimulate some of the—I'll-write-it-tomorrow fellows to prompt action. You see, when a fellow like me is offered a pretty good idea and casts it out, like the well-known bread on the troubled business waters, he'd rather like to know whether it's going to sink to the bottom, a soggy mass, without benefit to anyone, or whether it'll come floating back as 'dough' of another sort to my friends the cigar retailers of the country.

"If one of you fellows thinks that some particular tip in my messages has something about it that you can use, then I'm not human if I'm not almighty pleased to hear about it. It's then I'd like to send you one of my billheads inscribed with that bit out of the aforementioned statement—'Received Payment of One Vote of Thanks—in Full'—and then some!

"Also, if one of you has an idea that has worked, then don't be a dog in the manger about it. Send it along to me, so that I can pass it on to somebody else. For there isn't a progressive cigar retailer in the country today—I don't care who he is—who will pass up any good tips that will help him in his business.

"Ideas. That's what we want. Good ones, of course, preferred. But even what looks like a bad one very often has a kernel of value that can be made to grow. In the words of the old song, 'You Never Can Tell 'Till You Try.'

"So try sending a few of your prize ones on to me, and between us, we'll try them out on the other fellow, for the general good of us all."

MINORITY STOCKHOLDERS TO CO-OPERATE WITH AMERICAN TOBACCO COMPANY

THE support of minority stockholders of the American Cigar Company in an investigation of the company's affairs at the invitation of the American Tobacco Company was sought last week by a committee composed of Robert Lehman, of Lehman Brothers; Maurice Newton, of Hallgarten & Company, and John Fay, of Farnum, Winter & Company.

The committee's statement said: "With the exception of a small minority interest still outstanding, the American Tobacco Company has acquired all of the preferred and common shares of American Cigar Company.

"The undersigned stockholders (Messrs. Lehman, Newton and Fay), who have not disposed of their shares, have undertaken as a committee for the protection of the minority to investigate the affairs of the American Cigar Company and have accepted the suggestion of the representatives of the American Tobacco Company that the plans of the company for the management, and disposition of the assets and business of the American Cigar Company be submitted to and discussed with them. It is essential that the interests of minority be represented in such negotiations, and in order that our views be given due weight we ask your co-operation and support."

CHAIN STORE SALES

Dominion Stores, Ltd.

Four weeks' sales to December 26, as reported by Dominion Stores, Limited, totaled $1,982,482, compared with $2,071,830 for the same period of the previous year; a drop of 4.3 per cent., while for the year to the same date gross sales were $25,200,927, against $24,118,586, or an improvement of 4.4 per cent.

Peoples Drug Stores

Sales of Peoples Drug Stores for December totaled $1,777,397, against $1,707,203 in December, 1930, an increase of $70,194, or 4.1 per cent., while for the year sales totaled $17,472,674, as compared with $16,777,867, or an improvement of $694,807, or 4.1 per cent.

Walgreen Company

Walgreen Drug Company reports sales in December of $4,609,082, which compares with $4,726,934 in the same month of the previous year, a decrease of 2.5 per cent., while for the entire year sales amounted to $54,069,790, against $51,647,300, or an increase of $2,422,409, or 4.7 per cent.

Exchange Buffet

The Exchange Buffet Corporation reports sales for December of $441,483 as compared with $544,590 for the like month in 1930, a drop of 19.13 per cent. Sales for the first eight months of the fiscal year aggregated $3,299,767, as compared with $4,005,404 for the corresponding period of the previous year, a decline of 17.61 per cent.

1931 MANILA SHIPMENTS INCREASED

Cable advices from Manila, P. I., state that 14,569,229 cigars were shipped to the United States in December. The total number for the year reported by the Bureau of Internal Revenue, Manila, is 166,193,145. In 1930 the total shipments as recorded by the Bureau of Internal Revenue, Manila, P. I., amounted to 154,124,394, a gain of 12,068,751.

You can depend on a Liggett & Myers product

Granger is made for pipes..and it's in more and more pipes every day. Just try it!

Packed in a handy pocket pouch of heavy foil. Keeps the tobacco better and makes the price lower. Hence **10c**

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

PROPOSALS for an increase in the revenue taxes on tobacco and its products will come before the House Ways and Means Committee for consideration during its hearings on taxation of miscellaneous commodities, January 21 to 23, inclusive.

An increase of one-sixth in the tax rates on all tobacco products except cigars was recommended by Secretary of the Treasury Mellon in his annual report to Congress last month.

Although leading Democrats, at the beginning of the session, declared themselves strongly against the imposition of new or increased miscellaneous taxes, the situation now is less well defined and there are indications that the administration program may be accepted.

Political considerations this year play an important part in all activities in Congress. Having gained control of the House, the Democrats are looking forward to a successful presidential campaign and to that end are doing nothing which would endanger their chances. Accordingly, if it appears likely that the administration tax program will be unpopular with the public or will fail to raise the anticipated revenues, there is a disposition to "let it ride" and saddle the Republicans with responsibility.

A great deal of opposition has already been expressed with respect to the taxes on admissions and automobiles and a strong fight against the increased tobacco taxes is expected to be waged before the committee by representatives of the industry. In this, it is anticipated, they will have the support of Democratic congressmen from the tobacco growing districts who see in the proposal a further contraction of growers' markets as a result of consumer reaction to the increase.

The attack on the administration proposal to increase tobacco taxes will be led by Charles Dushkind, general counsel of the Tobacco Merchants' Association; Representatives Chapman, of Kentucky, and Hancock, of North Carolina, and Emerson Ela, of the Wisconsin tobacco pool.

It is expected that the tobacco witnesses will tell the committee that depression has already hit the industry hard and that to increase taxes at this time will only serve to batter sales down further. Internal revenue figures show that there was a loss in business during the past year and it is expected that the witnesses will point out that every day the depression continues makes sales resistance that much stronger and more and more people see the money saved "against a rainy day" dissipated.

In addition to the discussion of the proposed tobacco tax increase, Representative McReynolds, of Tennessee, will appear before the committee to discuss the sizes of cigarette packages, and Representative Haines, of Pennsylvania, will talk on the sizes of cigar boxes.

Codes of Ethics Adopted May Be Made Binding

Codes of ethics adopted by industries at trade practice conferences held under the auspices of the Federal Trade Commission would be made legally binding and Federal trade courts established to hear cases arising from violations, under legislation introduced in Congress by Senator Nye, Republican, of North Dakota.

The measures were drawn, the Senator explained, to protect independent tradesmen, owners of small factories, and lesser industrial and agricultural operators against what he described as "cutthroat" competition by encroaching chain organizations.

Under the present law, he said, trade practice conferences are ineffectual because "rules are accepted and promulgated by the Federal Trade Commission today and perhaps tomorrow many of them are scrapped."

"The uncertainty thus occasioned has all but destroyed the usefulness of the conferences," he declared. "The proposed legislation absolutely prevents this by providing a means whereby any rule has an opportunity to be judicially determined, which is not possible at present.

"Under present conditions, the small independent business man has no practical relief from oppression suffered by reason of unfair competition. He may apply for relief to the courts or to the trade commission, but by the time the long-drawn-out and expensive process is concluded he is perhaps out of business. Under the bills proposed, he has the advantage of prompt relief and the securing of a far competitive field wherein neither large nor small have any unfair advantage."

The measures provide for the creation of a Federal trade court, with branches in each of the ten judicial circuits, before which would come all cases arising out of violations of trade rules.

The legislation would also make it illegal to sell goods below cost for the purpose of injuring a competitor, or to discriminate in price between different purchasers except on account of differences in grade, quality or quantity of the commodity sold; to make due allowance for difference in the cost of selling or transportation, or to meet competition.

(Continued on Page 17)

© B. C., 1932

Phil M. Phulofax,* D. B. I.
(the retailer's friend)
says:

"It's SUNSHINE that makes the world go 'round . . . faster"

THEY may laugh at the "hot-stove leagues" . . . at the gabfests that take place among the little groups which gather in cigar stores, barber shops and local railroad-station waiting rooms. But if you want to get the honest, unvarnished low-down about what the rank-and-file of American citizenry thinks on this or that subject, just "listen in" on any of these informal palavers.

"What's the outlook for 1932?" is a favorite topic these days. I'm not an astrologer or a long-bearded prophet. But when I want to get a line on public sentiment I mosey into a half-dozen cigar stores and unbutton my ears. And one thing I've noticed is this: The brighter, shinier, neater the store—and the cheerier the disposition of the boss of the establishment—the more optimistic are the conversations I hear.

. . . Which brings me an idea. There are some 150,000 of us folks (cigar store proprietors and sales help). We come in contact with some twenty million grown-up, sound-minded people . . . the most solid strata of our population—the biggest factor in the business world—if you ask me.

I contend that we—the 150,000 aforementioned—can do things toward speeding the return of national prosperity—by thinking, talking and exuding optimism ourselves . . . by squelching crape-hanging pessimism . . . by bringing the sunshine into our own stores and souls. "Smile, dern yuh!" is my slogan. And I also vote that we call ourselves "The Gloom Chasers" or "The Sunshine Spreaders of America."

Whaddya say? Will you enlist? Will you promise to put new life into your displays and your store in general? To be spry and cheery when waiting on customers? Will you help to put the kibosh on morose mutterings? Will you fill yourself with only the encouraging things you hear or read about and pass 'em along whenever you can edge into a conversation? Man, if you and your fellow retailers will do these things, you'll be contributing a whale of a bit toward putting these grand old United States right side up!

Phil M. Phulofax* D.B.I.

Associated with BAYUK CIGARS, INC., *Philadelphia*
Makers of fine cigars since 1897

P. S. Now we'll get down to the real business of selling cigars in 1932. I've gathered some new ideas. But I want yours too. Send 'em in . . . we gotta pull together.

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR (BAYUK "PHILLIES")
BAYUK HAVANA RIBBON BAYUK MAPACUBA
PRINCE HAMLET CHARLES THOMSON

Listen in—and tell others to listen in—on the "Bayuk Stag Party" over WJZ and network, Sunday evenings

PORTO RICO TRADE SUSTAINED

FOR Porto Rico, as for the rest of the world, 1931 was a year of depression. However, the deviation from normal trade was probably less in Porto Rico than in almost any other market of like or greater importance. One reason for this is that the devastating hurricane of 1928 had deflated Porto Rico, causing its business community to retrench to the limit a full year before the general depression made itself felt elsewhere. Whatever the cause, the visible exterior trade of Porto Rico for 1931 will show no decline in value as great as those being registered in most trade regions of the world, and the outlook for 1932 is optimistic.

A serious problem, however, and one remaining unsolved at the end of the year, was the failure of the tobacco growers to market their crop at prices satisfactory to them. Those who were able to finance themselves held their tobacco for better prices, which never materialized. As a result of their refusal to sell, a rather heavy burden was placed on those banks, merchants and factors who had extended credit to tobacco growers and those dependent on them. To further complicate the situation, dissatisfaction with prices and the agitation consequent thereto resulted in an organized determination on the part of many planters to refrain from planting tobacco during the fall of 1931.

With the strain on banks and other credit sources accentuated by the tobacco situation and other factors, there was throughout the summer months a feeling of uneasiness as to the soundness of the banking institutions.

Notwithstanding the unfavorable circumstances, there were few commercial failures of importance. No unusual difficulties were experienced with collections, although they were appreciably slower than usual in certain sections of the island.

There is every reason to believe that the island will produce, and sell, buy and consume to a satisfactory extent during 1932.—*Commerce Reports.*

SNUFF POPULAR IN CZECHO-SLOVAKIA

According to a report in *Commerce Reports*, by Sam E. Woods, Assistant Trade Commissioner, the general idea that the use of snuff has been practically given up except in rare cases does not apply to Czechoslovakia. According to reports of the Czecho-slovak Tobacco Monopoly, during the past five years more than 459,000 kilos of snuff have been consumed within the country. This is an average consumption of about 90,000 kilos per year.

KLEIN RETURNS FROM HAVANA

D. Emil Klein, head of D. Emil Klein Company, manufacturer of "Haddon Hall" and other well-known quality brands, returned this week from Havana where he has been inspecting the Havana crop in connection with his requirements for 1932. He was accompanied by Morris Edelman, vice-president of the company.

TOBACCO PRODUCTS DECLARES EXTRA

On January 6th the board of directors of Tobacco Products Corporation declared a fifteen-cent distribution on the $20 par class A stock, and the regular quarterly dividend of twenty cents, both payable February 15th to stockholders of record January 25th. A similar payment was made a year ago.

WORK RACKET ON LIFE SAVERS

THE recent wholesale fancy which seized upon undergraduates of a large eastern college to attend costume balls in the disguise of a life saver became rather puzzling to officials of Life Savers, Incorporated, of Port Chester, makers of the popular "candy mints with a hole."

Courteous letters from the college men, announcing their intention of appearing at a forthcoming fancy dress party as a saver of lives, and thanking the company in advance for any assistance it might give in forwarding some posters and advertising matter to complete their costume, arrived in increasing volume. It seemed that costume balls were quite a rage.

Not to be outdone in beau geste and believing such interest in their trade-mark should be encouraged, Life Savers had not only replied to these communications with the requested supplies, but had taken care to enclose an ample sampling of the little candy mints.

Discreet inquiries finally disclosed that costume partying was not so popular at the college as were the mints. Life Savers officials, however, believe their generosity was well placed in spite of themselves. Nothing gets around so widely, they say, as a story of a hoax, and sometimes it pays to be the agreeable goat.

192 AUTO WINNERS LIVE IN 35 STATES

Men and women in thirty-five states in addition to one winner in the District of Columbia have won new automobiles in the "Cremo" cigar contest, a tabulation of awards up to January 8th reveals. New York leads the states with twenty-two winners, and California is second with seventeen. Pennsylvania ranks third with fourteen winners, while Massachusetts and Tennessee are tied with ten. Texas is fifth on the list with nine winners and Illinois is sixth with eight. Awards are based on twenty-word slogans explaining the merits of "Cremo" cigars. One automobile is awarded each day, except Sundays, the winners being announced every night at 7:15 for the east and 11 o'clock for the west, eastern standard time, during the Bing Crosby program over the Columbia network. The first winner was announced on Saturday, May 30, 1931, a Californian's twenty words winning him the automobile on that day, and awards have been made every weekday since that time.

BARNESVILLE CIGARMAKERS GET INSURANCE

Fifty-seven employees of the Charles McDonald Cigar Factory, of Barnesville, Ohio, have been covered with life insurance through the acquisition of a group policy by that organization for a total of $29,000. This policy was issued by the Prudential Insurance Company of America, and according to its terms each worker is insured in amounts ranging from $500 to $1,000, according to rank.

The premiums for this policy will be shared by the employees and the employing company, the policy being of the contributory type.

FLOOD MAY AID MANILA GROWERS

Early in December heavy storms caused floods in the tobacco provinces of Isabela and Cagayan, P. I. The Governor of Cagayan reported that flood to be the worst in fifteen years. Presumably, only a small portion of the new crop had been planted and the loss to tobacco farmers is not great. On the other hand the fertilization of the soil due to the overflow of the river should result in an advantage to tobacco plantation owners before the season is over.

The Name "Autokraft" is a Guide to Quality and Value in Cigar Boxes

AUTOKRAFT BOX CORPORATION welcomes the opportunities of the New Year to increase its field of usefulness to its customers, and to assure them of the maintenance of the highest standards for its product.

In 1932 principles established by past experience will be joined with new ideas and new methods for the production of a container which will exemplify the finest type of package.

Our reputation as manufacturers of quality boxes will be supported by ceaseless effort to serve our customers with the most satisfactory product that mechanical invention and human skill can fabricate.

The new **AUTOKRAFT** wooden cigar box represents in character, and in indispensable values to the cigar itself, a container which meets the challenge of competition.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

automatic
machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS
Get all the facts now on automatic merchandizing.
Write for a sample copy
THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

B. A. T. EARNS 20 PER CENT.

The British-American Tobacco Company, Limited, reports for the year ended September 30, 1931, net profits of £5,334,448, after charges and income taxes, equivalent after dividends on the 5 per cent. and 6 per cent. preferred stocks to 20.14 per cent. on 23,582,761 shares of ordinary stocks.

In the previous fiscal year the company earned £6,401,560, or 25.21 per cent. on the ordinary stock.

EXCHANGE BUFFET DIVIDEND

Directors of the Exchange Buffet Corporation have declared a quarterly dividend of 6¼ cents on the no par common stock payable January 30 to stock of record January 15. This is a reduction from 25 cents paid formerly.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

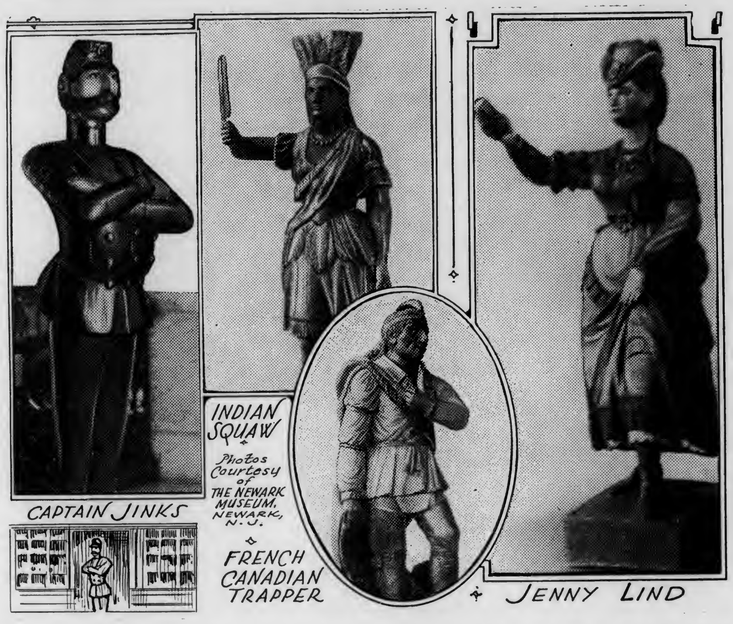
NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
CHARLES D. COLEMAN, Chicago, Ill. ..... Vice-President
ABRAHAM SILETT, 1153 Herkimer St., Brooklyn, N. Y. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

Cigar Store Indians Have White Brothers and Sisters



THE CIGAR STORE Indians of the old days had a good many "white brothers" and at least a few sisters, as a novel display in the Newark Museum, of Newark, N. J., has demonstrated.

The museum has elevated the ancient advertising figures to the dignity of art by including a number of them in an exhibit of American folk sculpture. They are in good company. The collection includes a bust of Governor Winthrop of Massachusetts, and the famous Andrew Jackson figurehead of the still more famous warship "Constitution"—"Old Ironsides."

According to critics, some of the wooden cigar store figures show a true, if unschooled, artistry in the farmers, sailors, carpenters and blacksmiths who made them. As a method of selling tobacco, however, they have long since disappeared in favor of live, informative advertising that reaches the whole public through newspapers and other means. The few remaining are reminders of a change in our cigar taste—a change for the better, since it includes the introduction of machine methods which insure the maximum of sanitary protection to the smoker. The emphasis placed on modern sanitary methods is admirably illustrated by one well-known five-cent cigar which is actually finished under glass.

Most of the cigar store figures have gone for firewood, and the survivors are looked upon as valuable antiques. Among the figures at the Newark Museum is "Jenny Lind." The "Swedish Nightingale," wearing an early Eugenie hat, is coyly lifting the hem of her skirt from the dust of the street, displaying a lacy petticoat, while with the other hand she boldly proffers a bunch of cigars to the public.

Another "cigar store lady" is a wooden Indian squaw. Her past is uncertain, but she is undoubtedly an early member of her tribe.

There is also a wooden figure of a French-Canadian trapper, which had stood in front of a cigar store near Stockbridge, Mass., since the Civil War. When he first took his post, machine-made cigars and cellophane wrappings were far in the future, and sanitary methods of cigar manufacture were not demanded by customers.

How far from the traditional cigar store Indian type some of the wooden figures varied is seen in "Captain Jinks." Not even Jenny Lind could be more the antithesis of savagery than he. The image of civilized poise and reserve, he stood with crossed arms in front of a tobacco shop at one of Newark's busy corners, and protected by a high collar, never worried about his Adam's apple.

BELGIUM INCREASES TOBACCO DUTIES

The Belgium Government has increased the import duties on leaf and manufactured tobacco, and several other items, effective November 27th, 1931.

The principal new duties which became effective on the above date are as follows, in francs per 100 kilos, with former rates shown in parentheses:

Unmanufactured tobacco, stemmed, 650 (480); other, 350 (240); manufactured tobacco, cigars, and cigarettes, 2100 (1800); pipe tobacco, chewing tobacco and snuff, 800 (600).

EHRLICH & GERTZ 25 YEARS IN CIGAR TRADE

EHRLICH & GERTZ, of Chicago, Ill., manufacturers of "Cyrus The Great" cigars, celebrated the twenty-fifth anniversary of the beginning of their business on Friday, January 8th.

The day was one of festivity for the members of the firm, the employees and the many friends of the owners. An elaborate lunch was served to all. There was an abundance of flowers from their well-wishers, and in addition scores of congratulatory telegrams were received from their dealers, jobbers and friends.

M. B. Kamnitzer wired, "To the makers of one of the best Havana cigars produced in this country who from small beginning and without advertising except from mouth to mouth developed "Cyrus The Great" into one of the best sellers in the State, I extend my heartiest congratulations on their silver anniversary and best wishes for their future success."

Ehrlich & Gertz started twenty-five years ago as a buckeye factory. Starting from scratch, the boys built the business to a point where it is one of the leading factories of Chicago employing between seventy-five and one hundred hands.

AMERICAN TOBACCO TO RENEW TENNESSEE ADVERTISING

According to *Printers' Ink*, Cranston Williams, secretary-manager of the Southern Newspaper Publishers' Association, has sent the following information to members regarding the effect of the change in the law in Tennessee requiring manufacturers, wholesalers or jobbers to affix the revenue stamps on cigarette packages, so far as cutting the cellophane wrapper is concerned:

"I have been informed that the Tennessee Commissioner of Revenue no longer insists on the slitting of the cellophane wrapper so that the stamp can be placed on the original package. The amendment to the law provides that stamps shall be affixed in such a manner that they cannot be removed without mutilating or destroying them. Any method that may be used to reach the desired result will be satisfactory with the Sales Tax Division of the Department of Finance and Taxation. An order covering the matter is expected to be issued in a few days by the Department in Nashville.

"In the meantime, information has been received that the American Tobacco Company expects to put Tennessee newspapers on their list for the January advertising campaign, starting January 5."

The American Tobacco Company, as previously reported, had stopped advertising in Tennessee, stating that its cigarette advertising featuring the package would be inconsistent under the previous ruling.

1931 MANILA CROP MARKETED

The 1931 crop in the Philippine Islands has been marketed and the buying season came to an end the latter part of November. Reports from Manila state that large quantities of Philippine tobacco was purchased by Japan and by some of the European countries. Shipments of filler tobacco stripped and booked to America increased during the month of November.

UNITED CIGAR STORES DIVIDEND

On January 6th the board of directors of the United Cigar Stores Company declared a quarterly dividend of $1 on the preferred stock of the company payable February 1st to stockholders of record January 15th. Previous payment was $1.50 on this stock.

RAMIREZ RESIGNS AS SECY. TAMPA. ASSN.

A. RAMIREZ, who has been secretary of the Tampa Cigar Manufacturers' Association for more than ten years, resigned from that position effective with the New Year, and Francis M. Sack, formerly associated with the Tampa Chamber of Commerce, has been elected to succeed him.

Mr. Ramirez is head of the cigar manufacturing firm of A. Ramirez & Company and is also interested in cigar retailing and his resignation from the Cigar Manufacturers' Association was caused by the fact that he found it necessary to spend more of his time in connection with his private business interests, and having the interests of the Cigar Manufacturers' Association also at heart, he felt that they needed a man who could devote his whole time to the affairs of the association.

M. Bustillo, of M. Bustillo & Merriam, was re-elected president of the association, with Pancho Gonzalez, of Garcia & Vega, vice-president, and W. T. Morgan, of the Morgan Cigar Company, treasurer. Directors elected are: Mariano Alvarez, of A. Santaella & Company; Jose Arango, of Jose Arango & Company; Leonidas Arango, of Arango y Arango; Jose P. Perez, of Marcelino Perez & Company; Edward Mandell, of Wengler & Mandell, and Fred Davis, Jr., of Schwab, Davis y Ca., who was elected to succeed John Levy of the same company.

Three new members were elected to the board as follows: D. B. McKay, former mayor of Tampa; Carl Brorein, former president of the Tampa Chamber of Commerce, and James W. Morris, attorney.

DEPRESSION PROOF

Doubting Thomases who have given skeptical ears to the notion that there will be a respectable group of companies advancing claims this year to being "depression proof" may now have a look at the first evidence coming to hand. The first big company to report high earnings for 1931 is the R. J. Reynolds Tobacco Company. Indeed, its 1931 earnings are so high that they constitute a record for the enterprise, standing at $36,396,816, compared with $34,256,664 for 1931. Dividends totaling $30,000,000, the same as in 1930, were paid out in 1931. There will be other big companies to show similar increase in earnings, it is confidently expected. While the group will be nowhere near so large as after a year of general prosperity, there will be just enough to show skeptics that business has not gone completely to the dogs, whatever they may believe. That business has been bad, that 1931 has been little short of disastrous from a broad point of view, there can be no doubt. But it is well to note that there have been enough companies to make a successful showing to indicate that such a showing was possible and remains possible in the future.—*New York Herald-Tribune.*

FORMER CONGRESS NEW YORK MANAGER DIES

Charles S. Parker, who was manager of the Congress Cigar Company's New York distributing branch up until a few weeks ago, when he was succeeded by Max Berliner, passed away on January 6th in the Hotel New Yorker, where he resided, following a short illness.

Mr. Parker, although only forty-seven years old, had had a number of years' experience in the cigar industry, having been associated with the General Cigar Company, the American Tobacco Company, and also as manager of the Philadelphia branch of the American Cigar Company in previous years.

Funeral services and interment were held in Wetumpka, Ala., his former home.

UNITED STOCKHOLDERS MEET JANUARY 20

GEORGE K. MORROW, chairman of the United Stores Corporation, has called a special meeting of its stockholders for January 20th to vote on the acceptance of a previously announced plan for the reorganization of the Tobacco Products Corporation, in which United Stores owns a majority of both class A and common stock.

United Stores stockholders are asked to exchange the class A shares of Tobacco Products for debentures of a new company to be called Tobacco Products Corporation of New Jersey, and to exchange common stock of Tobacco Products for stock of another proposed company, Tobacco Products Corporation of Delaware.

The Tobacco Products Corporation of New Jersey will hold the lease agreement with the American Tobacco Company, and the Tobacco Products Corporation of Delaware will hold the stock of the New Jersey corporation.

Mr. Morrow states in a letter to stockholders that one of the reasons suggested for reorganizing Tobacco Products Corporation is the difference between the market value of its stock and the value at which it is held by United Stores Corporation. Although the value of United Stores Corporation's holdings on November 30th would have been $28,647,703, he adds, the market value is approximately $13,711,930, a difference of $14,935,773.

THIRTEEN STATES LEVY CIGARETTE TAX

According to Dorrance, Sullivan & Company, advertising agents, New York City, only ten States have left unconsidered the possibility of taxing cigarettes. Of the remaining, 38, 13 now impose a tax, 23 having rejected the proposed legislation, and two have voted a tax which was later defeated in a popular referendum. The following States tax a pack of twenty cigarettes, as follows. Revenue is for the past twelve months, for all tobacco products. Although Tennessee does not levy the highest taxes, her revenues were the greatest for any State reporting.

State	*Tax*	*Revenue*
Alabama	15%	$1,425,217
Arkansas	5¢	1,052,818
Georgia	20%	840,000
Iowa	2¢	1,401,436
Kansas	2¢	721,161
Mississippi	20%	563,256
North Dakota	3¢	355,000
Ohio	2¢	*
South Carolina	3¢	1,975,371
South Dakota	3¢	487,991
Tennessee	4¢	2,250,000
Texas	3¢	*
Utah	2¢	187,612

*Law not in effect one year.

BAYUK DISTRIBUTOR IN NEW QUARTERS

The Washington Tobacco Company, Washington, D. C., has recently moved into new and larger quarters in that city at 631 Massachusetts Avenue N. W.

The officers of the company are: F. A. Davis, president; C. L. Conrad, treasurer, and W. C. Evans, secretary.

This firm is one of the oldest and largest distributors of tobacco products in the South, distributing the products of Bayuk Cigars, Incorporated, The I. Lewis Manufacturing Company, Webster-Eisenlohr, Incorporated, and others.

CUBAN GROWERS IN DIFFICULT POSITION

ACCORDING to *Commerce Reports,* Cuba's economic position throughout 1931 was less satisfactory than during the preceding year, and evidenced a further recession from the subnormal conditions that prevailed in 1930, there being a steady decline in business activities. There was a marked decrease in returns from Cuba's principal cash crop—sugar—owing to a large restriction in the crop and a continuation of the low prices prevailing in the world markets for this commodity.

This factor, together with a sharp drop in the price of tobacco, Cuba's second cash crop, and decreased tourist's expenditures, were mainly responsible for Cuba's further economic recession.

Tobacco has suffered considerably from decreased demand in foreign markets, together with reduced domestic consumption. As a result, the prices throughout the year were at unremunerative levels and the income of the Cuban tobacco growers decreased to such an extent that many were unable to meet their supply bills and acquire the necessary materials to prepare for the next crop. In general, the minor crops suffered relatively little.

PENN TOBACCO CO. DOUBLES WORKING FORCE

The Penn Tobacco Company, at Wilkes-Barre, Pa., found it necessary to double its working force during the month of December, and now employs approximately two hundred fifty persons. The increase in the number of employees is the result of the tremendous demand for a new product of the company recently placed on the market. It is the now popular little cigarette-rolling device, and the product of the Penn Tobacco Company may be carried around in the pocket.

Orders arrived so fast that the factory was pushed to capacity, with some of the departments operating two shifts and other departments working three shifts each day.

DAVE MORRIS IN NEW ENGLAND

David Franklin Morris, tobacco agent for the Philippine Government is calling on the cigar trade in the New England States where he is always sure of a warm welcome.

REYNOLDS EARNINGS

(*Continued from Page 3*)

$6,396,816 left over after the payment of dividends on the common stock and the new Class B common stock. The capital account, including $100,000,000 of stock outstanding and undivided profits, now stands at $162,233,341.

The balance sheet showed current assets of $140,461,298, against current liabilities of only $12,219,047, an unusually strong position for a corporation, but especially during a period of general depression. Current assets consisted of $34,479,270 in cash, $9,995,000 of United States Government securities due in 1932, $10,206,149 in accounts receivable and $85,780,878 for inventory of leaf tobacco, supplies and manufactured materials. The bulk of current liabilities consisted of accrued taxes and other accrued accounts amounting to $7,898,964.

Net working capital of the company, owing to the heavy preponderance of current assets over current liabilities, stood at the substantial figure of $128,242,251. The bulk of total assets of $176,856,099 are made up of current assets. All other items, including real estate and investments, totaled $36,394,800.

News from Congress

(*Continued from Page 10*)

General Tariff Revision Planned

General revision of the rates of the Hawley-Smoot tariff bill next year is planned by the Democrats, it was divulged this month by Chairman Collier, of the House Ways and Means Committee.

Engaged in a wrangle with Republican members of the committee over legislation proposing an international tariff pact and reorganization of the Tariff Commission procedure, Representative Collier unwittingly let it be known that the Democrats plan wholesale changes in the tariff at the earliest opportunity.

Pressed for details regarding the plan, Chairman Collier refused to amplify his statement, but let it be understood that the Democrats would frame the bill and would lay it before the Republican minority in a "take it or leave it" spirit in retaliation for the alleged refusal of the Republicans to give them a fair opportunity to participate in the writing of the present law.

Results of Bankruptcy Investigation to Be Revealed

Results of eighteen months of exhaustive investigation into the operations of the bankruptcy law by the Department of Justice will be transmitted to Congress by President Hoover in the near future, coincident with the issuance by Attorney General Mitchell of an explanation of the situation in order that Congress may have available to it an adequate background for amendment of the statute.

The Attorney General will explain that the present bankruptcy law has failed to achieve its purposes, has not insured a prompt and efficient realization and pro rata distribution of assets of insolvent debtors and has not discouraged commercial fraud and dishonesty by denial of discharges.

There are many obvious defects in the administrative processes and, in order that they may be presented concretely, the conclusions reached as a result of the department's inquiry have been embodied in proposed amendments to the existing law, prepared by the department. The Attorney General holds the opinion that Congress probably never will have available to it more thorough and exhaustive information as to the operations of the present statute than has been obtained by this inquiry.

Tariff Changes Planned to Cover Monetary Changes

Legislation to empower the United States Tariff Commission to ascertain the value of imports prior to changes in monetary standards and subsequent thereto, and to levy additional duties accordingly is proposed in a bill introduced in Congress by Senator Jones, Republican, of Washington.

Anticipating an argument against the passage of such legislation on the grounds that it delegates legislative power to the commission, the Senator explained in introducing his measure that he had laid down a very concrete, definite and fixed rule to control and govern the tariff commission which he believes will meet all objections.

His proposal provides for the imposition "upon all products, whether now on the free or dutiable list, imported from a country, including its dependencies, that has changed its monetary standard within two years prior to the passage of this act, or may hereafter make such change, an additional tariff duty approximately equal to the difference between the value, as defined in Section 402 of the tariff act of 1930, of such imports prior to such change in monetary standard and such value of such imports after such change in monetary standard."

It is provided that upon return of any country to its original monetary standard the increases in duties applied against its products shall be abolished within three months.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—APPROXIMATELY 70,000 POUNDS, PACKED WEIGHT, Southern Wisconsin tobacco—3 to 12 years old. L. G. Anderson, 2127 Iowa Street, Chicago, Ill.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

MORE WOMEN BUY CIGARETTES

FORTY PER CENT. of the customers at one of the big cigarette stores at Fifth Avenue and Forty-second Street in New York City are women, according to "Advertising & Selling," journal of the advertising field. A great part of the increase in the production of cigarettes is attributed to smoking by women, who more frequently than in the past are reaching for cigarettes from which certain harsh irritants have been removed by modern methods of manufacture such as the toasting process including the use of ultra violet rays. The ancient prejudice against smoking by women has long since passed and women in all parts of the country are smoking as many cigarettes as they please. The same store in New York which now has 40 per cent. women customers had 20 per cent. women customers six years ago. These figures are definite proof of the increasing number of women who are reaching for cigarettes.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

TOBAKETS:—45,970. For cigars, cigarettes and tobacco. December 16, 1931. Faber, Coe & Gregg, Inc., New York, N. Y.

TOBACETS:—45,971. For cigars, cigarettes and tobacco. December 16, 1931. Faber, Coe & Gregg, Inc., New York, N. Y.

TOBAQUETS:—45,972. For cigars, cigarettes and tobacco. December 16, 1931. Faber, Coe & Gregg, Inc., New York, N. Y.

PENGUIN:—45,975. For all tobacco products. December 28, 1931. Christian Peper Tobacco Co., St. Louis, Mo.

WARRENTON:—45,976. For smoking pipes only. December 31, 1931. The O. D. Pipe Factory of America, Fall River, Mass.

TRANSFERS

SAM GOMPERS:—18,132 (Tobacco Leaf). For cigars. Registered December 15, 1899, by the American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., to Cigar Makers Co-operative Association, Reading, Pa., December 15, 1931. (The transferors having acquired the cigar department from the original registrants.)

TWIN TOWERS:—45,937 (T. M. A.). For all tobacco products. Registered September 3, 1931, by D. Emil Klein Co., Inc., New York, N. Y. Transferred to John Henry Miller, New York, N. Y., December 22, 1931.

REVIEW OF THE UNITED STATES TOBACCO EXPORT TRADE JAN. TO NOV., 1931

ALTHOUGH the exports of leaf tobacco from the United States showed a slight increase during the month of November, as compared with November, 1930, the increase was insufficient to offset the downward trend in leaf exports for the year, according to an interpretation of official trade data by the Tobacco Division of the Department of Commerce. Exports for November, 1931, amounted to 58.4 million pounds compared with 58.0 million in 1930. The total leaf exports for the full eleven months (January to November of the current year) amounted to 467.9 million pounds, compared with 517.6 million pounds during a corresponding period of 1930 and 499.4 million pounds in 1929. It is not reasonable to suppose that the December exports will fall below 60 million pounds, thus the total leaf exports during the full year 1931 will probably be about 528 million pounds or more.

During a period of normal production and consumption, leaf exports for the first eleven months of the current year are about what they should be, but the past three tobacco crops have been greater than normal and consumption in the United States began a downward trend in 1930. The latest reports of the United States Department of Agriculture show a total leaf production of 1610 million pounds in 1931 compared with 1635 million pounds in 1930, and 1537 million pounds in 1929. The total leaf consumption in factories in 1930 was 784 million pounds; and 810 million pounds in 1929. No consumption data are yet available for 1931, but the output of products from January to October shows the following declines, compared with a similar period of 1930: Cigars, 9.4 per cent., output, 4842 million in number; cigarettes, 4.6 per cent., output, 98,308 million; smoking and chewing tobacco, 1 per cent., output, 280 million pounds. Snuff production during the ten months increased by .8 of 1 per cent., amounting to 34 million pounds.

Very little change was noted during November concerning the various types exported and the situation remains about the same as at the end of October. Exports of flue-cured tobacco picked up a little, but not enough to raise the eleven-month total (339 million pounds) to a level of 1929 and 1930. Exports of stems, and trimmings maintained a consistent increase which has characterized their movement throughout the year. Exports of all other types declined, the darks of Kentucky, Tennessee and Virginia suffering the most.

The total leaf exports for the first eleven months of the year were valued at about 98 million dollars, compared with 129 million in 1930 and 128 million in 1929; the respective export prices per pound were 20.9 cents, 25.1 cents and 25.8 cents. Prices on foreign markets have held up better than domestic prices, the average farm price in 1931 having been 9.7 cents compared with 12.9 in 1930 and 18.6 cents in 1929.

	Total Production Pounds	*Total Exports Pounds*
1929.....	1,537,193,000	565,901,875
1930.....	1,635,210,000	579,703,553
1931.....	1,610,098,000 (Jan.-Nov.)	467,890,239

There was a slight increase in the exports of smoking tobacco in November, 1931, compared with the same month, previous years; all other products declined. The total exports of all tobacco products during the first eleven months of the year amounted to 8 million dollars, compared with 12 million dollars same period 1930, and 18 million dollars 1929. The export market for cigarettes has been characterized throughout the last two years by sharp declines, nevertheless cigarette exports represent three-fourths of the foreign sales of tobacco products.

UNITED SUES FOR RIGHT TO SELL MAGAZINE

THE UNITED Cigar Stores Company of America, in New York, announced last week that it had begun an action in Supreme Court against the Dell Publishing Company and George T. Delacorte, Jr., publisher and editor, respectively, of the magazine "Ballyhoo," and against the American News Company, sole distributors of the magazine, and various newsdealers in New York for damages and an injunction restraining the defendants from refusing to sell "Ballyhoo" to United Cigar Stores and the Whelan Drug Company, its subsidiary, for resale in cigar and drug stores.

The complaint alleges that the plaintiff, at the request of the publishers of the magazine, sold the October issue in cigar and drug stores, and that newsdealers' associations complained to the publishers. As a result of this complaint, the suit states, the publishers and the American News Company did not fill orders for November, December and January issues of "Ballyhoo" "to the plaintiff's great damage."

LOFT CANDY SALES INCREASE

Loft, Incorporated, which now includes the former Happiness Candy Stores, reports sales of $14,318,523 for 1931, an increase of $4,762,423.

For December the sales amounted to $1,862,847, an increase of $291,750. George M. O'Neil, secretary, said that during the year the company showed a gain in customers of 6,851,434, or 25.4 per cent.

FEBRUARY 1, 1932

VOLUME 52 No. 3

THE TOBACCO WORLD

LIBRARY RECEIVED FEB 4 1932 U. S. Department of Agriculture

The Name "Autokraft" is a Guide to Quality and Value in Cigar Boxes

AUTOKRAFT BOX CORPORATION welcomes the opportunities of the New Year to increase its field of usefulness to its customers, and to assure them of the maintenance of the highest standards for its product.

In 1932 principles established by past experience will be joined with new ideas and new methods for the production of a container which will exemplify the finest type of package.

Our reputation as manufacturers of quality boxes will be supported by ceaseless effort to serve our customers with the most satisfactory product that mechanical invention and human skill can fabricate.

The new **AUTOKRAFT** wooden cigar box represents in character, and in indispensable values to the cigar itself, a container which meets the challenge of competition.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

WOODEN BOXES
Increased the Sale of
KING BEE CIGARS

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

TELEPHONE WEST 0217-0218-0219

WENGLER & MANDELL, INC.
MANUFACTURERS OF
TOM PALMER
WORLD'S GREATEST CIGAR

GENERAL OFFICES
1946-1950 W. MADISON ST.
CHICAGO, ILL.

FACTORY
TAMPA, FLORIDA

ADDRESS ALL COMMUNICATIONS TO GENERAL OFFICES

January 19, 1932.

Mr. E. M. Henofer, President,
Wooden Cigar Box Boosters Club,
216 Seaside Avenue,
Atlantic City, N.J.

Dear Sir:

In reply to your inquiry regarding the success we are having with our 5¢ KING BEE Cigar in wooden boxes, I would say that within my memory we have never offered a new package that received as spontaneous and enthusiastic reception as this one.

We have over five thousand KING BEE dealers in the City of Chicago. Many of these dealers are telling us daily how pleased they are with the new KING BEE wooden box. They are telling us how this box has helped sell more KING BEE Cigars to smokers.

The high praise for the wooden box on our part and on the part of our dealers is justified by a very substantial increase in the sale of KING BEE Cigars since they have been packed in wooden boxes.

Very truly yours,

WENGLER & MANDELL, INC.

Ralph R. Graham,
DGS

By Ralph R. Graham
President.

Volume 52 — THE TOBACCO WORLD — Number 3

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, FEBRUARY 1, 1932 — Foreign $3.50

EDITORIAL COMMENT

THE preliminary figures covering cigar withdrawals for the calendar year of 1931 indicate that less than 5,320,000,000 were withdrawn for consumption, a drop of more than 570,000,000 below the calendar year of 1930.

In this December just past the cigar industry had a none too comfortable escape from falling below 300,000,000 for the month. The withdrawals for December, 1931, and other Decembers to 1920 inclusive are tabulated herewith:

Cigar Withdrawals for Months of December

1920	506,126,135	1926	464,575,489
1921	463,663,809	1927	393,006,532
1922	561,041,853	1928	411,910,434
1923	491,358,758	1929	410,862,907
1924	511,276,573	1930	349,635,250
1925	473,336,217	1931	304,531,411

Two current excuses for failure to meet obligations are, "I've been hit by the depression," or, "My bank just failed," or both. And in many cases they are honest alibis.

But neither a depression nor a bank failure is any excuse for the failure of any manufacturer to produce the very best value possible for the price at which his article is to be sold.

This means not only a good grade of wrapper but expert shading for colors as well. It means a careful inspection of cigars for defects in workmanship or wrapper, so that the product will reflect credit on the manufacturer and build good-will for his brand.

The cigar manufacturer is more critical than ever before of the character and quality of the supplies and materials which he purchases. But we say without fear of contradiction that some cigar manufacturers are not so critical of the product which they offer to the smoking public beneath the deceptive cellulose covering.

If these pressing times have made us more critical of the value received for the dollar expended, why should we deceive ourselves by thinking that the merchandise we offer for sale will escape the keen analysis of the purchaser who is watching his dollar as carefully as we are?

And yet you can go into any cigar store today and find cigars with rough or defective wrappers, or both, looking most attractive beneath the dazzling sheen of the lucid covering. Only when the useless transparent shield is discarded does the smoker realize that he did not receive full value for his money.

We know that people have less money to spend, but we insist that, despite economic conditions, the cigar manufacturers themselves have been, and are, contributing definitely to the growing dissatisfaction of the cigar smoker.

There are a number of places we patronize where some brands of cigars can be purchased in their natural wrappers and we have yet to see a casual customer reject them because they are not wrapped in the lucid covering. We do not dispute the fact, however, that the average cigar smoker prefers his favorite brand in the cellulose covering—but only because he doesn't know cigar values.

Since about 70 per cent. of the cigar business today is represented by Class A (cigars selling at five cents and less) it must be obvious that the smoker who buys the nickel smoke from other than necessity, does so because he has convinced himself that he doesn't get any greater satisfaction from brands selling in the higher brackets.

Our cigar manufacturing friends can wear out all the typewriters in the country explaining to us—and others—that the cellulose wrapper is a result of public demand, but they will never convince us that the transparent wrapper is of any benefit to a cigar, or that it makes up for the lack of the fine shading for colors of other days, or the rough and defective wrappers that are daily offered to a diminishing consumer market.

We have enjoyed a very happy month of cigar smoking, thanks to those thoughtful friends whose expressions of good-will at the holiday season took the form of clear Havanas in their natural wrappers.

It is useless for us, in our prejudiced state of mind, to dwell on the great difference between cigars in their natural wrappers and those in the non-porous cellulose covering. It not only explains why 70 per cent. of the smoking public think that five cents is enough to pay for a cigar today, but to us, at least, it answers the question why an increasing number of smokers think that even five cents is too much to pay for cigars. As we have stated repeatedly, the smoker doesn't know why cigars don't smoke and taste as they did a few years back, and the cigar manufacturer, who knows the truth, can't afford to risk the loss of brand prestige to tell him.

(Continued on page 15)

PHILADELPHIA.

BAYUK CIGARS MAINTAINING VOLUME

AT BAYUK CIGARS headquarters, they report a nice volume of orders arriving to get 1932 off to a good start.

The Rapp & Klein Cigar Company, Lafayette, Ind., are maintaining their stride and distribution and sale of Bayuk cigars in the Lafayette territory.

A. T. Schultz, at Erie, Pa., is developing a firm demand for Bayuk cigars in Erie, and their organization is being assisted by H. Jacobs, Bayuk salesman.

The Andy Dehner Cigar Company, Burlington, Iowa, are taking advantage of the popularity of Bayuk cigars and hitting a fine stride as evidenced by the orders coming into the factory. R. D. Harris, Bayuk territorial man, has recently done some effective promotional work for them.

The Albie Pool Company, Hammond Ind., is increasing the distribution and sale of Bayuk cigars in their territory, and have recently been assisted by factory man, F. H. Stutz.

Joseph Kolodny, member of the firm of the Jersey City Tobacco Company, Bayuk distributor for that territory, was a recent visitor at the Bayuk factory, and reported a good demand for Bayuk cigars there.

WIFE OF J. F. GALLAGHER DIES

Mrs. Joseph F. Gallagher, wife of Joseph F. Gallagher, former head of Allen R. Cressman's Sons, cigar manufacturers, located on South Third Street, passed away on January 17th in the University Hospital. Mr. Gallagher is now vice-president of the Richard A. Foley Advertising Agency, Incorporated, and is also a Papal Chamberlain.

Mrs. Gallagher was a member of the boards of St. Edmond's Home, St. Francis' Home for Convalescents, the Home for Incurables, Lansdowne, and the St. Vincent's Aid Society, and was also active in civic improvement movements.

Funeral services were held on Thursday, January 21st, from her late residence, 5836 Woodbine Avenue.

She is survived by her husband, two daughters, Mrs. Howard Pent, of Merion, and Miss Katherine Gallagher, and three sons, Joseph T., of Washington, and Thomas and James.

MICHAEL'S SCHEDULE FILED

Michael's Cigar Store, 4364 Frankford Avenue, this city, has filed a schedule of assets and liabilities, listing assets as $28,617, and liabilities of $32,515,

GEORGE LEX ASSUMES NEW DUTIES

GEORGE M. LEX, formerly with the Congress Cigar Company, assumed his new duties with George Zifferblatt & Company, as secretary of the company, on January 18th, and since that time has been busy acquainting himself with the workings of the company.

George Zifferblatt returned from a trip to Havana on Tuesday, where he had been inspecting the Havana crop for his company's requirements.

The "Habanello" brand, manufactured by this company has been meeting with an enthusiastic reception throughout the territory where it has been placed and a phenomenal increase in sales was experienced during the past year.

The factory is now running to capacity to meet the unusual demand for the brand at this time, and it is expected that new territories will be opened up during this year with a corresponding increase in sales.

PRICE REDUCTION HELPS "LA PALINA"

Harold Christian, manager of the Congress Cigar Company jobbing branch, reports a fine increase in "La Palina" sales since the reduction in the price on the first of the New Year.

The "Senator" size, which was reduced at that time to retail at ten cents instead of two for a quarter, has shown a particularly good demand, and both the Camden, N. J., and Philadelphia factories are busy turning out "La Palinas" to cope with the demand.

Mr. Christian was in Newark on Thursday attending a sales conference at which all distributing branch managers were present and at which plans were discussed for increasing the sales of "La Palina" for the year 1932.

TINT DISPLAYS PIPES WITH SUCCESS

Harry A. Tint, who operates two high-grade cigar stores: one in the Burlington Arcade and one in the Pennsylvania Railroad Concourse, last week had a wonderful display of fine pipes which attracted a great deal of favorable comment, and at the same time attracted a great deal of new business. On the morning of the first day the pipe display was shown, Mr. Tint had sold fifty-six pipes before 11 o'clock in the morning, which is not a bad morning's work.

Mr. Tint carries one of the finest assortments of high-grade cigars in the city, and enjoys the sort of patronage which makes such an assortment possible.

Copr. 1932, The American Tobacco Co.

"I play safe by sticking to LUCKIES"

OH, WHAT A GAL IS MARY!

She's one of the genuine beauties that even the camera cannot flatter. Sorrow and professional bad luck followed her for years. Now she's a bride... the studios clamor for her... the public loves her... and the Hollywood sun is shining. Her new RADIO PICTURE is "MEN OF CHANCE"... Here's to you, Mary Astor! We're glad you smoke LUCKIES and we're grateful for that statement you gave us without a cent of payment.

"I can't afford to take chances with my voice. So I play safe by sticking to LUCKIES—they're always kind to my throat. And I'm doubly grateful for your improved Cellophane wrapper which opens so easily with that clever little tab."

Mary Astor

"It's toasted"

Your Throat Protection—against irritation—against cough

And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N. B. C. networks.

CUBAN CIGARMAKERS STRIKE

ON JANUARY 14th a general strike of Cuban cigarmakers was called in Havana, after employers had refused to give the workers more time to consider a proposal to reduce wages.

The number of employees affected by the strike, applied to more than twenty factories in Havana and other Cuban cities, was estimated at 8000 to 10,000.

Tariffs, sagging foreign exchanges and a seasonal slump were given as the reason for the reduction in wages.

Every effort is being made to obtain a quick settlement of the strike, which has paralyzed Cuba's second most important industry.

"BLACKSTONE" LONDRES REDUCED

Yahn & McDonnell, local distributors of "Blackstone" cigars, have been advised of a reduction in the price of the "Blackstone" Londres, effective January 25th. This popular size of the "Blackstone" has been reduced to $78 to the trade, to retail at ten cents instead of two for a quarter formerly. Waitt & Bond, Inc., manufacturers of the "Blackstone," emphasize the fact that it is exactly the same size and quality cigar at the reduced price, and this news should result in a substantial increase in sales.

The "Blackstone" brand continues to show a healthy and steady increase in sales through the able distribution of Yahn & McDonnell.

Abe Caro, "Optimo" representative, was in town last week and visited Yahn & McDonnell, local distributors of that brand. The "Optimo" is one of the leading sellers in this territory.

Fred Suss, S. H. Furgatch, New York, was also in town visiting the jobbers and retailers of his brands.

Mr. Kirtz, of Amster-Kirtz Company, Cleveland distributors of the "Antonio y Cleopatra" brand, was a recent visitor at Yahn & McDonnell headquarters, and reported satisfactory business on A. & C.'s in his home town. Mr. Kirtz was en route to New York City to attend a conference with officials of the American Cigar Company and their distributors.

Paul L. Brogan, vice-president of Yahn & McDonnell, was in New York recently, where he attended the conference of A. & C. distributors with officials of the company and discussed plans for enlarging the sales of this popular brand during 1932.

The distributors were first treated to an inspection visit of the American Cigar Company's factory at Trenton, N. J., where they were shown through this modern factory by a competent guide who was familiar with the details of manufacturing this brand under the most modern sanitary conditions. Later the party journeyed to New York City, where they were guests of the company at the Uptown Luncheon Club, and in the evening they were also the guests of the company at a banquet and entertainment at the Waldorf Astoria.

A. Harris, representing the American Tobacco Company on their "Johnnie Walker" cigarettes and other special brands, was a recent visitor at Yahn & McDonnell, local distributors, and expressed himself as well pleased with the demand on his brands.

GENERAL CIGAR EARNINGS

The General Cigar Company reports for 1931 net income of $2,720,667, against $3,201,521 in 1930. Current assets as of December 31, 1931, were $27,104,605 and current liabilities $1,360,659 against $27,030,564 and $1,681,513, respectively, at the end of 1930.

LIGGETT & MYERS NET $23,121,382

LIGGETT & MYERS Tobacco Company, one of the big four of cigarette manufacturers, last week reported net income of $23,121,382 for the calendar year of 1931 after charges and Federal taxes, equal after dividends on the 7 per cent. preferred stock to $6.87 a share on the combined, par $25, common and B stocks, of which $3,136,919 shares are outstanding. This compares with $24,002,315 or $7.15 a share on the combined shares in 1930. In 1931 the company paid out more than $1,000,000 more in dividends on the common and common B stocks than in the previous year.

The total surplus of the company was increased from $28,212,023 at the end of 1930 to $34,072,823 at the end of 1931.

The balance sheet disclosed the acquisition during the year of $20,980,450 in Government, State and municipal bonds, a new item. Despite these large purchases cash in hand on December 31st totaled $27,075,001 compared with $33,021,432 at the end of 1930. Preferred stocks in the amount of $2,480,785 also were added to the company's quickly realizable assets during the year. Total assets were shown as $180,542,696 compared with $174,793,201 at the end of 1930. Current assets as of December 31st, including $55,012,400 in cash and marketable securities, were $156,554,688 and current liabilities were but $4,927,927. This compares with cash and marketable securities of $37,497,596 and current assets of $151,577,766 at the end of 1930, compared with current liabilities of $6,067,948.

WAGNER'S SMOKING TOBACCO IN DEMAND

At John Wagner & Sons, Dock Street, distributors, I. B. White, manager of the cigar department, reports a greatly increased demand for their high-grade smoking tobacco, "Wagner No. 3," and also on "Philosopher," which is unusual for this season of the year.

Ben Lumley, Garcia & Vega representative, left last week on a trip through Baltimore, Washington and the South, accompanied by Alvaro Garcia, and is reporting a highly successful trip.

James Clark, representative of the Condossis Tobacco Corporation, has just returned from a very successful trip through the southern territory. The "Condossis" cigarette, which was only recently introduced to the Philadelphia market, has met with marked success here through the supervision of John Wagner & Sons.

Sam Adler, of Villazon y Ca., Tampa, stopped in at Wagner headquarters last week on his way North on his first trip of the New Year. Mr. Adler reports good demand for his brand following a reduction in prices effective with the first of the year.

The Alleghany size is having a particularly good demand since the reduction in retail price from twenty cents to fifteen cents. Other sizes have been reduced from two for a quarter to ten cents, and the fifteen-cent size reduced to two for a quarter.

Gene Popper, of E. Popper & Company, was a visitor last week and showing his new sizes on his brands. Mr. Popper's brands have been increased substantially in size, while retailing at the same prices as formerly, thus giving the smoker more for his money.

"HAV-A-TAMPA" APPOINTS AGENCY

The Hav-a-Tampa Cigar Company, Tampa, has appointed the Eastman, Scott & Company, Incorporated, Atlanta, Ga., advertising agency to direct its advertising.

NATURALLY *FRESH*

never parched, never toasted!

The cool, flavorful *freshness* of Camel cigarettes is purely a natural product.

It is attained not by any mysterious processes, but simply by preserving the full natural goodness of fine sun-ripened tobaccos.

These choice tobaccos of which Camels are blended — fine Turkish and mild Domestic tobaccos — are never parched or toasted.

On the contrary we exercise every care and precaution to safeguard the natural moisture which is infused with their mildness and flavor.

That's why the Camel Humidor Pack is such a boon to Camel smokers — it could do little or nothing except for the fact that the cigarettes we put into it are fresh to start with.

To see what that means in cool, smooth, throat-friendly smoking pleasure, switch to *fresh* Camels for just one day — then leave them — if you can!

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

"Are you Listenin'?"

R. J. REYNOLDS TOBACCO COMPANY'S COAST-TO-COAST RADIO PROGRAMS

CAMEL QUARTER HOUR, Morton Downey, Tony Wons, and Camel Orchestra, direction Jacques Renard, every night except Sunday, Columbia Broadcasting System

PRINCE ALBERT QUARTER HOUR, Alice Joy, "Old Hunch," and Prince Albert Orchestra, every night except Sunday, N.B.C. Red Network

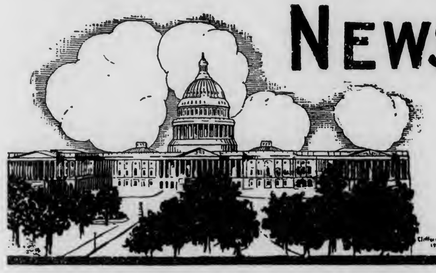
See radio page of local newspaper for time

Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against perfume and powder odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time

CAMELS

***Made* FRESH — *Kept* FRESH**

© 1932, R. J. Reynolds Tobacco Company



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

A PROBABLE actual loss in revenue to the Government if the Treasury proposal for an increase in the taxes on tobacco products other than cigars is adopted was forecast before the House Ways and Means Committee January 22 by Junius Parker of New York, appearing on behalf of the Tobacco Merchants Association of the United States.

Vigorously attacking the imposition of any additional taxes upon tobacco at this time, Mr. Parker told the committee that the addition of one cent per package to the tax on cigarettes, as proposed, would result in a reduction of more than 15 per cent. in sales.

Depression conditions have been reflected in the tobacco industry by a decided reduction in the sale of cigarettes. Cigarette sales last October, Mr. Parker asserted, were 18 per cent. under those of the same month in 1930, and December sales show a loss of 15 per cent.

Conditions in the industry, he told the committee, would not permit the absorption of the added tax by the manufacturers. The manufacturers' profit on cigarettes is about 1.5 cents per package, so that if the additional one cent tax was absorbed by them there would be left a profit of only about one-half cent with which to build up surpluses to meet emergencies, pay dividends and take care of other demands which might be experienced.

The Government makes four times as much out of a package of cigarettes as does the manufacturer, he pointed out. The revenue of the Government from the present tobacco taxes is about $500,000,000 a year while the manufacturers net about $125,000,000.

Members of the committee questioned Mr. Parker at length regarding conditions in the industry, their queries developing that a number of States have attempted to impose taxes on tobacco, proposals being killed in thirty-one States. Eleven States, however, do have taxes. Public sentiment is opposed to heavy taxation of tobacco, Mr. Parker pointed out, as evidenced by the killing of legislation in thirty-one States, while at the same time it is a proven fact that excessive taxation kills the business, cigarette consumption in the eleven taxing States being only about 50 per cent. of that for the country as a whole. Even under present rate levels, it was brought out, tobacco is the highest taxed commodity in the country.

Questioned as to why the Treasury provided for the exemption of cigars from the increased tax, Mr. Parker suggested that this was probably due to a realization by the department that cigars could not stand an increase.

Appearing on behalf of the growers in the Wisconsin Tobacco Pool, Emerson Ela, of Madison, Wis., protested that his growers this year have received only $18,250,000 for the tobacco sold so far, while the Government has secured $25,000,000 in taxes. The proposed tax, he said, would work out at a rate of 180 per cent. on the basis of the present low prices, and, he suggested, instead of an increase, the growers equitably should be given a reduction.

Representatives from a number of tobacco-growing districts presented arguments against any increase in taxes. Among those appearing were Congressmen Yon (Dem.) of Florida; Kerr (Dem.) of North Carolina; Chapman (Dem.) of Kentucky, and Abernethy (Dem.) of North Carolina. All of them pointed out that present tobacco prices are less than cost of production and asserted that a higher tax would ruin thousands of growers.

A reduction of not less than four cents per pound in taxes on tobacco sold through co-operative associations was urged by Mr. Ela as a means of partly making up to the growers for the present low prices.

Suspension of Antitrust Laws Suggested

Suspension of the antitrust laws for a period of two years as a move toward industrial rehabilitation has been recommended to President Hoover by Charles F. Abbott, of New York, executive director of the American Institute of Steel Construction.

Abandonment of strict enforcement of the antitrust statutes, Mr. Abbott explained, would permit the formation of trade associations to stabilize business conditions for small concerns, without which, he declared, thousands of business houses throughout the country must inevitably face bankruptcy.

The relief program now being put into motion by the administration, he said, will stimulate the recovery of business but a great many independent concerns are threatened by destructive competition which already has eliminated profits. Under the circumstances, he pointed out, stabilization through concerted action in trade organizations is necessary, but such associations are hampered by fear of prosecution under the antitrust laws.

Use of "Loss Leaders" Increasing in Chain Stores

Nationally advertised products, sold at prices as low as 40 per cent. under replacement cost, constitute the bulk of "loss leader" sales by chain stores, with private brand merchandise seldom being used for this purpose, it is disclosed by a report of the Federal Trade Commission, submitted to the Senate in January.

The report, one of a series in course of preparation by the Commission, is offered as a "study," without conclusions or recommendations. It indicates that the use of loss leaders is increasing, 11.9 per cent. of all

(Continued on Page 14)

1931 CENSUS OF MANUFACTURERS STARTED

Census Bureau Mails Questionnaires to Manufacturers of Country. Questions Are Fewer and Simpler Than in Former Census.

THE Census Bureau is now mailing its 1931 Census of Manufacturers questionnaires to all manufacturers, with an urgent request that they be filled out and returned promptly. *The value of manufactures statistics is dependent largely upon their timeliness, which in turn, is dependent upon the promptness of the manufacturers in returning the reports.*

Information given on the questionnaires should relate preferably to the calendar year 1931; but if more convenient to the manufacturer it can cover a business or fiscal year ending within the period from April 1, 1931, to March 31, 1932. In either case, however, it should cover a full year's operations, unless the plant was newly organized or went out of business within the year.

The 1931 questionnaire is considerably smaller than the one used for the 1929 canvass. This is due to the fact that the 1931 census is one of the regular biennial series and does not fall within the decennial series (as did the census for 1929, when the questionnaires were expanded considerably).

The major items covered by the 1931 questionnaires are only four in number, namely:

Wage-earners employed, by months.

Wages paid.

Cost of materials, fuel, and purchased electric energy.

Products by quantity and value.

For the first three of these items the inquiries are uniform for all industries, whereas the fourth varies greatly for different industries, according to the character and the variety of products made. The questionnaires for a few of the industries carry, in addition, special inquiries in regard to materials consumed and machinery or equipment in use.

The 1931 questionnaires call only for the number of wage-earners on the payroll for the week which included the fifteenth day of each month. At prior censuses the questionnaires have also called for the numbers of salaried officers and employees, but no data on such employees will be compiled at the present census. The term "wage-earners" is used to designate mechanics of all classes and all other manual workers engaged in activities which are part of the manufacturing processes or accessory thereto; the figures also include data for watchmen, firemen, engineers, and similar wage-earners essential to the operation of the plant.

The figure given for wages paid should represent the aggregate of all wages paid to the wage-earners during the year 1931.

The cost of materials, fuel, and purchased electric energy, and also of containers in which the products are sold, actually used during the period covered by the report, should be reported as a single item. In other words, the combined amount covering this class of expenditures will be reported without breakdown. This will simplify somewhat the work of filling out the questionnaire as compared with that used for 1929, which called for this class of information in greater detail. The amount reported should cover the cost of materials, etc., which were actually consumed in the manufacture of the products made during the year covered by the report. Materials remaining in stock at the end of the year are not considered in connection with the census statistics, and therefore no data in regard to such materials in stock should be given.

It is essential that products be reported according to the classifications on the several questionnaires. In the cases of some important industries it is necessary to call for data in considerable detail in order to enable the Bureau to publish statistics which will be of practical value to the industries concerned. Certain of the items on the questionnaire have been amplified from time to time in response to industrial conditions or to demands for statistical information. It is essental, therefore, that separate figures be given for each class or type of product manufactured, if separate figures are called for on a questionnaire. Combined figures for two or more items are less satisfactory for census purposes than carefully prepared estimates for the separate items.

GOOD MUSIC FOUNDATION OF "CHESTERFIELD" PROGRAM

THE "Chesterfield" program, which went on the air on January 4th over the entire Columbia Broadcasting System, introduces several features unique in radio advertising. In announcing this program Liggett & Myers Tobacco Company said, "We have sought to give the radio audience what we believe it most desires—that is, good music, well played and well sung." Comment by radio and musical critics since the program began supports the wisdom of this idea, which is fundamental to the whole "Chesterfield" program.

The announcers in their very brief remarks play cleverly upon the title of the program, which is "Music That Satisfies." Musical innovations include nightly "trailers" allowing a brief glimpse of the next program, the premieres of special numbers composed by foremost song writers, and special arrangements by Nat Shilkret for his all-star orchestra.

The "trailer" idea, used in radio for the first time by "Chesterfield," is a refreshing novelty. After each broadcast Alex Gray, the soloist, sings part of the next evening's feature, while Shilkret reveals a few bars of a special melody. Shilkret's 36-piece "all-virtuoso" orchestra is a hand-picked group of individually renowned musicians including Del Staiger, long recognized as the best trumpet player in the country.

Irving Berlin heads the list of popular composers writing new tunes which make their first bows to the public at these broadcasts. His waltz, "I'll Miss You in the Evening," is being introduced during January. Each month thereafter Gray and Shilkret will introduce the newest composition by other leading song writers. These special "songs of the month" will be released to the public and to other entertainers at the end of the month during which they are introduced.

"These songs constitute a 'pre-hearing' of the tempo and spirit of the country's popular music in 1932," Mr. Shilkret announces. "We are making public for the first time the latest songs direct from the master manuscripts. These are a cross-section of the best popular music of the year."

Berlin's composition will be followed in February with one from the team of De Sylva, Brown and Henderson, creators of many musical comedy hits.

"Music That Satisfies" goes on the air every night in the week, excepting Sunday, at 10:30 P. M., Eastern Standard Time.

PHULOFAX SAYS GUARD YOUR REPUTATION

BELIEVE it or not, the more I knock around in the business world, the more I'm inclined to agree with the parsons that a good reputation is just about the most valuable thing any man can have."

With the foregoing sentence, Phil M. Phulofax, D. B. I., associated with Bayuk Cigars, Inc., begins a letter addressed to some of his friends among cigar retailers throughout the country. In addition to his selling tips to the retailers that are published regularly in the form of magazine advertising, Mr. Phulofax maintains an extensive correspondence with various individual dealers whose acquaintance he has made in the course of his wide travels.

"And when I say valuable, I mean just that. Valuable in making and maintaining cigar sales.

"No country in the world today can maintain itself in a state of isolation. What with all the means of communication that exist nowadays—trains, automobiles, telegraph services, the radio, *et al.*—they're all tangled up together.

"And what's true of countries is just as true of individuals. We're all dependent on one another. No one, no business, is self-sufficient. I'm at the mercy of one man for the clothes I wear and of another for the food I eat, just as they're at the mercy of the cigar retailer for good cigars.

"Personally, my reputation's every man's mercy, to be made if he says I'm a square-shooter, and to be unmade if he says I'm a low-down crook. By word of mouth, I and my business can be boosted to the skies—or kicked into a cocked hat.

"The worst of it is, a business reputation can be given a black eye by some loud-mouthed individual with a chip on his shoulder—a black eye that it may take months of hard work to heal.

"Suppose some bird blows in when my stock's all at sixes and sevens. I can't find his brand, I'm irritable, and in the end he goes out dissatisfied. He swears he'll never come in my place again and doesn't hesitate to spread this bad news about me among his friends. It's human nature, with a lot of folks, to believe the worst about a fellow sooner than the best. The result is I've had a substantial crimp put in my business, all because of a single false step. For it's so easy to make a slip, get into trouble—and so hard to recover the lost ground.

"On the other hand, if I can only build up a reputation for selling good cigars, of always being courteous and obliging, I've done something for my business that I'll cash in on, in the long run. I may not be able to figure out, in so many dollars and cents, exactly what my 'good reputation' is worth to me. But you can take it from me, it's an asset to the business that every cigar retailer in the country will be wise to give careful thought to."

SUMATRA INSCRIPTION DATES ANNOUNCED

The following dates have been announced for the Sumatra and Java tobacco inscriptions to be held this year:

At Amsterdam—Sumatra tobacco: March 18, March 24, April 8, April 22, May 13, June 10, July 1 and July 15. Java tobacco: April 1, May 6, June 3, June 17 and July 8.

At Rotterdam—Sumatra tobacco: April 29 and June 22. Java tobacco: April 15, May 27, June 24 and July 22.

GENERAL REDUCES PRICE ON PERFECTO

THE GENERAL Cigar Company has announced a reduction in the price of their "Robert Burns" perfecto size effective February 1st in the eastern territory and effective February 15th in the western territory. After those dates in the respective territories the price of the "Robert Burns" perfecto size will be reduced to retail at ten cents instead of two for a quarter as formerly, and a new invincible size will be manufactured to retail at two for a quarter. The price of the panetela size remains unchanged at ten cents.

Jobbers throughout the country are enthusiastic over the news of the price reduction on this popular cigar and a substantial increase in sales is confidently anticipated.

POLICE ARREST THREE IN ROBBERY

Purported confessions of two young men, alleged members of a gang of four who robbed the Franklin Tobacco Company of $4100 on January 12th, were revealed last week by police to Magistrate Harriban.

The Magistrate held Harry Ravel, twenty-four, Tree Street, near Fourth, without bail for a further hearing January 30th on a charge of holdup. Lewis Lafferty, twenty-two, Tree Street near Front, was held in $2000 bail as an accessory. Martin Fitzpatrick, nineteen, Front Street near Mifflin, was held in $500 as a suspect.

They were arrested a short time after Isaac Zamrin, thirty-nine, 3826 Folsom Street, and Abraham Averick, twenty-eight, 4134 Westminster Avenue, employees of the tobacco company, were held up at Front and Lombard Streets.

They were taking $500 in cash and $3600 in checks from their offices, 518 N. Front Street, to the Sixth National Bank, Second and Pine Streets.

Penland and Farley, detectives, told Magistrate Harrigan that Ravel admitted being one of the four robbers.

They also said Lafferty admitted helping plan the robbery, but denied taking part in it.

Averick and Zamrin noted the license number of the coupe in which the robbers escaped. Police captured it a short while later after a chase.

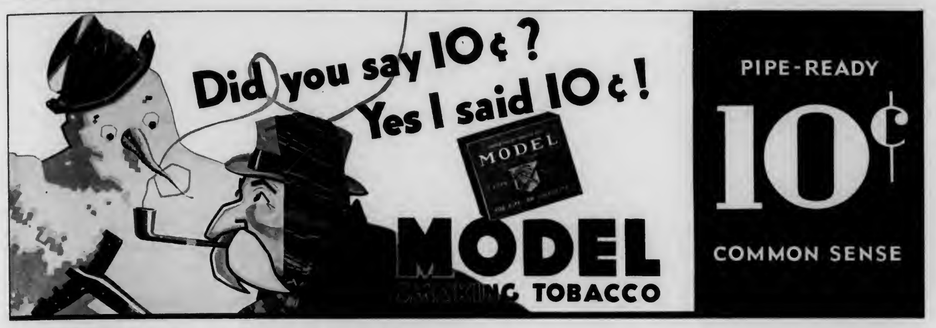
JOBLESS MAN IS AUTO WINNER

Two hundred automobiles were awarded in the "Cremo" cigar contest up to January 19, according to a statement received today from the American Cigar Company. Thus, 200 people were afforded the thrill of hearing their names announced over the Columbia network as winners of the contest. One automobile is awarded each week-day night, the announcements being made during the Bing Crosby program at 7:15 for the East and 11 o'clock for the West, Eastern Standard Time. Awards are based on twenty-word statements explaining the merits of the cigar. One winner describes his success in the contest as "the greatest thrill of my life," saying that "due to the depression I have been unable to obtain a position, but with this marvelous break in luck perhaps my chance will come now."

INVESTORS APPROVE REYNOLDS STOCK

According to reports in Wall Street, southern investors have been buying stock of the R. J. Reynolds Tobacco Company quite heavily recently.

The demand is said to have been inspired by the good showing of the company's 1931 statement.



FIVE-CENT CIGARS INCREASE IN PENNA.

ACCORDING to revenue figures, the five-cent cigar continued in popularity in Pennsylvania, even during the Christmas gift season, and the December, 1931, sales of "nickel" cigars by manufacturers in the eastern and western Internal Revenue districts in the State exceeded those of the same month in 1930.

In the eastern district, which has headquarters in Philadelphia, the sales were 57,718,555 as compared with 51,345,780 in the same month of the previous year, and in the western district, with headquarters in Pittsburgh, sales were 4,864,410 as compared with 3,207,700.

The gain in five-cent cigars was accompanied by a sharp drop in sales of the higher-priced cigars in the eastern district.

N. C. GROWERS' PRICE CUT IN HALF

According to reports released by the State Department of Agriculture, North Carolina tobacco growers received less than one-half for their tobacco during December, 1931, as they did in December, 1930.

Producers' sales totaling 65,058,914 pounds last December brought growers $4,386,770, as compared to $9,209,513 in December, 1930, from 73,449,151 pounds of producers' sales.

With the bulk of the season's tobacco sold, total producers' sales for this season through December amounted to 422,631,212 pounds, as compared with sales of 490,595,793 pounds for the corresponding period last season.

December's tobacco sold at an average of $6.74, just about one-half of the average price of $12.54 a cwt. which the tobacco brought in December, 1930. No average was reported for the season's sales through December, although it was approximately $9 a cwt.

NEW YORK STATE MAY LICENSE CIGAR STORES

A bill recently introduced into the Senate of the New York State Legislature by Thomas F. Burchill, Democrat, of New York, and referred to the Committee on Taxation and Retrenchment, seeks to amend the tax law by providing for the licensing of all retail tobacco stores for the sale of tobaccos, cigars and cigarettes.

The measure, which is modeled after the old liquor tax law of the State of New York, provides a graduated annual license fee ranging from $500 in New York City to $25 a year in the small country communities.

Just how the bill will be received by the committee is a matter of conjecture, but the trade in New York State is intently watching its progress.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
CHARLES D. COLEMAN, Chicago, Ill. ..... Vice-President
ABRAHAM SILETT, 1153 Herkimer St., Brooklyn, N. Y. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

WANTS TOBACCO COMPANIES INVESTIGATED

A RESOLUTION has been presented in the House of Representatives at Washington, by Representative L. B. Hamilton, of Frankfort, Ky., a Democrat, asking that Congress be memorialized to investigate four major tobacco companies to determine whether there is an agreement in restraint of trade.

Speaker John Y. Brown, referred it to the Rules Committee, stating it would be considered at a meeting of the committee later.

The resolution was to the effect that Kentucky growers are growing tobacco below cost of production and faced insolvency while the tobacco companies are paying cash dividends.

MARTIN AGAIN HEADS N. B. T. S. A.

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The last convention was held at Chicago in December, 1927.

Jack A. Martin, president, called the convention to order promptly at ten A. M., Friday, at which time the minutes from the last convention were read. Routine business was gone into and after luncheon served at the hotel, discussions of problems vital to salesmen were held. Committees were appointed to draw up resolutions relative to discussions held.

Friday night a banquet was held at the hotel, after which the entire delegation visited the meeting of the Newark T. S. A. where a fine reception was tendered. Members from the Trenton T. S. A. came up for the evening. An all-star vaudeville show was staged which was followed by refreshments.

At Saturday morning's session routine business was again gone through and the following resolutions were adopted:

RESOLUTION No. 1

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WHEREAS, the field of activities of these salesmen lies with the so-called independent stores and outlets, and

WHEREAS, it has been brought to our attention very forcibly that the several chain store outlets, of which there are many, have not only entered into the jobbing business, but are also considerably under-selling the jobbers and salesmen, thus affecting the independent retail outlets, and

WHEREAS, these practices have seriously hampered the work of and reduced the earning powers of first, these salesmen, and secondly, the firms they represent, therefore,

Be It Resolved, that the National Board of Tobacco Salesmen's Association, in convention assembled at the Robert Treat Hotel, Newark, N. J., January 15, 1932, recommend and strongly urge the chain stores to cease and desist from these practices, and be it

Further Resolved, that the National Board of Tobacco Salesmen's Association recommend and strongly urge the manufacturers of such tobacco products which are distributed through so-called independent jobbers and distributors, to relieve, correct and eradicate the existing practices on the part of the chain stores to the end that we, as salesmen, and our several concerns can carry on with our daily tasks without destructive interferences and further, to the end that our reduced earning powers can be rehabilitated.

RESOLUTION No. 2

WHEREAS, we are engaged in the sales and promotion of tobacco products in their various forms that are trade-marked by manufacturers, and

WHEREAS, these trade-marked products have become a football for the several chains and cut-price stores to induce the consumer to enter their respective places of business, and

WHEREAS, the independent or legitimate retailer, on whom we, as tobacco salesmen, call regularly to sell our wares, from which we can make a livelihood, have been so impaired to the extent that it is no longer a profitable or living business for us to be in, therefore,

Be It Resolved, that we, the National Board of Tobacco Salesmen's Association, in convention assembled at the Robert Treat Hotel, Newark, N. J., January 15th, 1932, go on record endorsing the Capper-Kelly Bill now before the National Legislative bodies, to the end that this bill be passed and enacted.

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The next convention will be held in Trenton, January, 1933.

Tobacco Salesmen's organizations throughout the country are invited to join the National Board of Tobacco Salesmen's Associations. Address, Abe Brown, Secretary, 180 Grumman Avenue, Newark, N. J.

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Stockholders also approved the proposal that upon consummation of the reorganization plan the United Stores Corporation offer to exchange debentures it will receive from Tobacco Products of New Jersey for the outstanding preferred stock of United Stores in the ratio of $50 principal amount of debentures for one share of preferred. The exchange will not be compulsory.

Stockholders of Tobacco Products Corporation have been asked to deposit their Class A and common stocks under the reorganization plan before January 30th, when the deposit limit expires. It is not expected that the time for depositing stock will again be extended, it was stated. If all United Stores preferred stockholders exchange their stock for debentures of Tobacco Products Corporation of New Jersey, the United Stores Corporation would have in its treasury a balance of $4,689,496 of debentures in addition to its holdings, direct and indirect, of preferred and common stock of the United Cigar Stores Company.

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Harry L. Crosby, who croons over the radio as "Bing" Crosby, was named a defendant in a plagiarism suit filed in the United States District Court, New York, on January 15th by Serge Walter and Ross Mobley, authors of the song "Jealous," which was copyrighted March 22, 1924.

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Cigarettes (large) ..No.	612,435	409,551
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Snuff, mfd. .....Lbs.	3,045,969	2,651,321
Tobacco, mfd. .....Lbs.	22,769,179	22,361,841

Note: The above statement does not include tax-paid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of December:

Products	*—December—*	
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Class A .....No.	12,481,200	6,431,645
Class B .....No.	76,000	14,100
Class C .....No.	625,500	216,050
Class D .....No.	2,500	6,000
Total	13,185,200	6,667,795
Cigars (small) .....No.	50,000	500,000
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Tax-paid products from the Philippine Islands for the month of December.

Products	*—December—*	
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Tobacco, chewing and smoking	28,800,399.19	29,468,633.44

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"EL TRELLES" FACTORY BUSY

DOWN in New Orleans the "El Trelles" factory is already operating full speed pushing out the cigars to meet with the steady demand on their quality cigars, which is something to brag about at this season of the year.

The "El Trelles" brand is a high-grade Havana-filled cigar, and folks in the southwestern part of this country certainly seem to appreciate quality, as they certainly smoke a flock of "El Trelles."

Ubaldo Trelles, accompanied by Mrs. Trelles, have returned from a recent trip to Havana, and Manuel and Leo Trelles are getting ready to start on a visit to their distributors to keep things on the move.

Prospects for a good year in 1932 are bright.

PENNSYLVANIA LEADS IN CIGAR PRODUCTION

The leading States in the production of the various types of tobacco products during the calendar year 1930, together with the respective percentages of the total production for which they are accounted, are shown below:

Cigars: Pennsylvania, 34.05 per cent.; New Jersey, 13.91 per cent.; Florida, 9.59 per cent.; New York, 8.86 per cent.; Ohio, 6.59 per cent.; Virginia, 5.48 per cent.; Michigan, 4.05 per cent. *Aggregate, 82.53 per cent.

Small Cigars: Virginia, 88.45 per cent.; North Carolina, 8.37 per cent.; New York, 3.07 per cent. *Aggregate, 99.89 per cent.

Cigarettes: North Carolina, 63.79 per cent.; Virginia, 23.50 per cent.; New Jersey, 4.21 per cent.; California, 3.86 per cent.; Kentucky, 3.58 per cent.; New York, .95 per cent. *Aggregate, 99.89 per cent.

Large Cigarettes: New York, 47.96 per cent.; North Carolina, 43.04 per cent. *Aggregate, 91.00 per cent.

Plug: North Carolina, 51.77 per cent.; Missouri, 36.76 per cent. *Aggregate, 88.53 per cent.

Twist: Missouri, 47.27 per cent.; Kentucky, 25.36 per cent.; Tennessee, 24.42 per cent. *Aggregate, 97.05 per cent.

Fine Cut: Illinois, 47.54 per cent.; Michigan, 21.17 per cent.; Virginia, 12.72 per cent.; Ohio, 11.48 per cent. *Aggregate, 92.91 per cent.

Smoking and Snuff (Combined): North Carolina, 30.18 per cent.; Ohio, 18.42 per cent.; Illinois, 12.14 per cent.; Virginia, 7.56 per cent.; Tennessee, 6.60 per cent.; Kentucky, 5.28 per cent.; Missouri, 4.35 per cent.; West Virginia, 4.30 per cent. *Aggregate, 88.83 per cent.

D. EMIL KLEIN EARNINGS

The D. Emil Klein Compny, manufacturers of "Haddon Hall," "Nottingham," "Emanelo," and other brands, reports for the year ended December 31, 1931, net profit, after charges, of $364,619, equivalent, after preferred dividend requirements, to $3.15 a share on 98,000 shares of common. This compares with $377,000, or $3.10 a share on 100,000 shares in the preceding year.

Regular quarterly dividends have been declared, which are twenty-five cents on the common, payable April 1st to stockholders of record March 21st, and $1.75 a share on the preferred, payable February 1st to stockholders of record January 20th.

OMITS DIVIDEND

The A. B. C. Cigar Company has omitted the dividend on the $1 par common stock due at this time.

News from Congress

(Continued from page 8)

chain organizations furnishing information for 1928 admitting their use, as compared with 8.9 per cent. of the chains reporting for 1922. Corroborative evidence of this tendency is seen in the fact that chains in 19 of the 26 different kinds of business sold loss leaders in 1928 against fifteen kinds of chains in 1922.

The chain companies using loss leader tactics, the Commission found, while representing only 11.9 per cent. of the reporting companies, operated 16.8 per cent. of the total stores and accounted for 31 per cent. of the total net sales of all reporting chains.

"Private brand goods are much less frequently sold below net purchase cost than other kinds of merchandise," the Commission commented. "Only 18 chains out of 364, or less than 5 per cent., sometimes sold such goods as leaders at less than net purchase cost in 1928. Only eight out of the twenty-six groups include any chains reporting the sale of private brand merchandise at less than actual net purchase cost."

Postage Increase Will Probably Be Denied

Recommendations of the administration for an increase to three cents per ounce in the rate of postage on letter mail will be denied by the House Post Office Committee, it is indicated by recent developments at the Capitol, and an effort also is likely to be made to prevent the Post Office Department from increasing rates on parcel post matter under the application now pending before the Interstate Commerce Commission.

Appearing before the Ways and Means Committee during its hearings on tax legislation, Postmaster General Walter F. Brown declared that an increase of one cent in the present first class rate would return more than $100,000,000 a year and is "entirely justifiable."

The matter of increasing postage rates is not one properly for the consideration of the Ways and Means Committee, but came before it in connection with the administration's program for balancing the budget. Members of the Post Office Committee, however, are represented as being greatly opposed to any increase in rates at this time, viewing them as a possible handicap to business recovery, and have announced that they will seek other ways of offsetting or eliminating the steadily mounting postal deficit.

Amendment to Tariff Law Being Considered

Legislation amending the tariff law of 1930 so as to offset the effects of depreciated foreign currencies is being considered at the Capitol and it is expected a measure will be introduced in the House of Representatives in the near future.

Despite the desire to "tinker" with the tariff as little as possible this session, leaders in both parties are understood to be impressed with the necessity of protecting American manufacturers from the dumping of foreign merchandise made possible as a result of the abandonment of the gold standard by a number of foreign governments and the ensuing decline in the dollar value of their currencies.

Effects of currency depreciation are vividly reflected in import statistics for recent periods. Customs collections during the first half of January were approximately $1,500,000 greater than during the same period last year, but inasmuch as 75 per cent. of our

(Continued on Page 18)

Editorial Comment

(Continued from Page 8)

We say again, that there is a market to be won, and held, by the cigar manufacturer who will pack his brands in their natural wrappers in wooden boxes made in whole or in part of Spanish cedar.

One cigar manufacturer after another rushed into the market with the cellulose covering, and after the industry has charged off hundreds of thousands of dollars to cover, or re-cover, their brands with this non-porous wrapper it still finds itself in a rapidly declining business.

Last night we found our pockets empty of cigars and we dashed into a chain store and reluctantly accepted a former favorite brand now exclusively in the lucid covering. By the time this editorial is in print we will have mailed the manufacturer a yellowed, smelly, piece of transparency with comments pertinent to the subject.

It has remained for the P. Lorillard Company to tell the truth about the cellulose covering. One of the verses in a recent "Old Gold" ad reads:

"You know your pleasure
and your pride
Depend upon the thing inside,
And Cellophane has never yet
Made up for lack in cigarette!"

Or has it made up for lack in cigar values!

WOODEN BOXES INCREASE SALES OF "KING BEE" CIGAR IN CHICAGO DISTRICT

Wengler & Mandell, Incorporated, cigar manufacturers with offices in Chicago and factories in Tampa, Fla., recently inaugurated a sales and advertising campaign in Chicago on their "King Bee" five-cent cigar. Details regarding this compaign appeared in the January 1st issue of The Tobacco World.

The advertising has been featuring the new wooden boxes in which the "King Bee" is now packed.

E. M. Henofer, president of the Wooden Cigar Box Boosters Club, saw the article about the introduction of the "King Bee" cigar in the new wooden boxes, and immediately got in touch with Wengler & Mandell, inquiring as to the progress of the brand in the wooden package.

The result was a letter from Mr. Ralph R. Graham, president of the company, stating that more than five thousand of their dealers in Chicago are telling them daily how this new wooden package has helped to increase "King Bee" sales.

Mr. Henofer has not overlooked the advertising value of Mr. Graham's splendid endorsement of the sales value of the wooden cigar box, and the readers of this publication are invited to read Mr. Graham's letter which is featured in an advertisement on another page.

Mr. Henofer, who for more than ten years has maintained monthly advertisements in the tobacco trade papers featuring the advantages of the wooden box as a cigar container, says that he is more firmly convinced than ever that "The Best Cigars Are Packed In Wooden Boxes."

AGED WOMAN RECLUSE SMOKES CIGARS

LAST week it was learned that Mrs. Ida E. Wood, ninety-three-year-old recluse of Herald Square, New York, had gained ten pounds in weight and her sight and hearing have been improved under medical attention since last October. She weighed only seventy pounds then and was living on the meagerest of diets, although approximately $900,000 in cash, securities and jewels was found tucked away in her clothes, dusty trunks and receptacles about the room.

Private detectives, whose constant vigil after the discovery of the fortune annoyed the aged woman, have been dismissed by her nephew-guardian, Otis F. Wood. She now has a trained nurse and a night companion. She has tea each afternoon, and after meals she insists on cigars and black coffee.

MAN DEFENDS CHEWING

Perry Mock, oldest citizen of Spring City, near Pottstown, Pa., has been chewing "rough cut" for eighty-two years, or ever since he was fifteen years old. He is now ninety-six.

Mr. Mock says, "I don't believe tobacco chewing hurts anyone, if they don't overdo it. It's like every other habit—if you abuse it, it's certain to have a harmful effect. But a couple of chews a day never hurt anyone.

"If enjoyment does you any good, then tobacco chewing, for those who like it, is a good thing," he added.

"BULL" GOES RIDING

After having greeted eight generations of Americans on barns, rocks, billboards, in newspapers and magazines, the spirited old-timer in advertising, the Bull of Durham, has leaped to the sides of 8000 Railway Express Agency delivery trucks in all his color and virility to proclaim that a sack of "roll your own" or pipe tobacco is once more a nickel, even as our fathers knew it.

This advertising symbol which recently appeared on the pages of 1900 newspapers throughout the country, is one of America's oldest trade-marks. It was used in America's first large scale nationwide outdoor advertising campaign soon after the Civil War.

MRS. CARL WERNER PASSES

It is with deep regret we record the death of Mrs. Carl Avery Werner, devoted wife of Carl Avery Werner, editor of our contemporary, *The Tobacco Leaf*, on Wednesday, January 13th, following an illness of five months.

Funeral services were held on Thursday evening, January 14th, at Fairchild's Chapel, in Brooklyn, and interment was made at Ogdensburg, N. Y., on Friday morning.

We join the many friends of Mr. Werner in extending our heartfelt sympathy in his great loss.

DEATH FOR SMOKER IN 17TH CENTURY

Count Cori, in his book, "A History of Smoking," relates that in the seventeenth century a Sultan of Turkey, Murad IV, used to go in disguise among his subjects, visiting the various resorts in the town, and "any one caught smoking over his coffee was marked for death. The next morning his corpse would be found in front of the house in which he had been detected, a gory witness to the tyrant's wrath."

CHAINS DISCLOSE LOSS ON "LEADERS"

ACCORDING to the report of the Federal Trade Commission, recently filed with the Senate at Washington, on chain store methods, relating to the habit of the chains to sell leaders at cost or below in order to attract business, the report in part states:

"The pricing of leaders like their selection may be dictated by central headquarters, sub-headquarters, warehouses or store managers, or by any combination of them. Even under partial or complete decentralization, however, there appears to be some tendency for the headquarters or sub-headquarters to exercise some control over the pricing of leaders particularly if the prices are reduced to or below cost.

"Last, but by no means least, of the factors determining the kind of merchandise selected as leaders is the matter of allowances or discounts obtained from the manufacturer which sometimes absorb much, if not all, of the cut in prices.

"From information reported by 777 chains for both 1922 and 1928 concerning the sale of merchandise, other than private brand goods, as leaders at less than net purchase cost, it appears that the practice of selling such leaders is increasing with some types of chains, chiefly in the grocery, grocery and meat, and drug lines. In 1922 only 69 chains, or 8.9 per cent., reported the sale of such leaders below net purchase cost, while in 1928 the number of chains in the same group had increased to 88, or 11.3 per cent. of the total. At the same time the stores reported had increased from 2710, or 14.8 per cent., to 6494, or 18.8 per cent., of the total stores operated by the 777 chains.

Private brand goods are much less frequently sold below net purchase cost than other kinds of merchandise. Only eighteen chains out of 364, or less than 5 per cent., sometimes sold such goods as leaders at less than net purchase cost in 1928. Only eight of the twenty-six groups include any chains reporting the sale of private brand merchandise at less than actual net purchase cost.

While the reports showing percentage losses on specific articles of merchandise sold as leaders are not as comprehensive as is desired, they are sufficient to give an interesting indication of the size and proportion of the losses involved. On 254 items in twenty-five commodity groups thus sold below total cost (including operating expenses) by thirty-six grocery and grocery and meat chains operating 11,369 stores during the last week of December, 1928, the average loss was 9.9 per cent., and ranged from 3.3 per cent., on toilet paper to 14.6 per cent., on cigarettes.

MINDEN ACQUIRES POWELL COMPANY

The M. F. Minden Company, Incorporated, manufacturers of the "Bouquet de Paris," has announced the acquisition of Jesse G. Powell & Company, manufacturers of the "Drury Lane" and "First Consul" cigars, and the Minden Company will continue the manufacture of these brands.

Jesse G. Powell has become associated with the Minden Company and will be active in merchandising the brands of the company over a wider territory. The "Drury Lane" and "First Consul" brands have heretofore been marketed chiefly in the Metropolitan district of New York City, but it is planned to expand the distribution to include the better class cigar stands throughout the country.

CALENDAR YEAR WITHDRAWALS FOR CONSUMPTION

	Calendar Year 1930	*Calendar Year 1931*
Cigars:		
Class A—		
United States ...	3,573,814,975	3,687,784,380
Porto Rico	136,101,755	130,434,110
Philippine Islands	151,188,120	167,469,595
Total	3,861,104,850	3,985,688,085
Class B—		
United States ...	388,607,499	169,881,720
Porto Rico	4,203,580	1,738,100
Philippine Islands	1,808,807	1,322,307
Total	394,619,886	172,942,127
Class C—		
United States ...	1,784,451,760	1,362,129,400
Porto Rico	13,659,884	5,295,660
Philippine Islands	1,149,730	535,862
Total	1,799,261,374	1,367,960,922
Class D—		
United States ...	121,009,644	86,099,458
Porto Rico	30,100	49,600
Philippine Islands	9,688	4,826
Total	121,049,432	86,153,884
Class E—		
United States ...	21,248,556	12,997,570
Porto Rico	2,600	1,500
Philippine Islands	86,386	11,647
Total	21,337,542	13,010,717
Total All Classes:		
United States ...	5,889,132,434	5,318,892,528
Porto Rico	153,997,919	137,518,970
Philippine Islands	154,242,731	169,344,237
Grand Total ..	6,197,373,084	5,625,755,735
Little Cigars:		
United States ...	382,540,252	337,173,347
Porto Rico	6,050,000	8,000,000
Philippine Islands	.....	.....
Total	388,590,252	345,173,347
Cigarettes:		
United States ...	119,624,909,917	113,449,048,657
Porto Rico	15,599,640	10,030,000
Philippine Islands	2,803,053	2,040,380
Total	119,643,312,610	113,461,119,037
Large Cigarettes:		
United States ...	7,502,955	5,504,233
Porto Rico	2,810,400	1,532,500
Philippine Islands	5,100	1,900
Total	10,318,455	7,038,633
Snuff (lbs.):		
All United States	40,112,663	39,543,096
Tobacco Manufactured (lbs.):		
United States ...	328,765,103	327,995,697
Philippine Islands	2,134	1,160
Total	328,767,237	327,996,857

AMERICAN VOTES EXTRA

FURTHER tangible evidence that the tobacco business continued to be one of the most profitable of the country's industries in 1931 was given yesterday when American Tobacco Company—one of the big four cigarette manufacturers—declared a $1 extra dividend on the common and common B stocks. A similar payment was made at the same time last year. The extra was in addition to the regular declaration of $1.25 a share on the two issues. Both regular and extra are payable March 1st to stock of record February 10th.

In 1930 the company reported net earnings after all charges equal to $8.56 a share on the 4,687,054 combined common and common B shares, compared with $11.53 in the record year of 1929. Recent forecasts have indicated that the company's earnings for 1931 may be substantially above those for 1930.

NORMANDY RETURNS TO TOBACCO GROWING

According to reports, Normandy has returned to the growing of tobacco after having ceased the raising of this crop during the "eighties" of the last century.

This has been brought about because of the new British tariff which has dealt a severe blow to the early vegetables which have been the chief crop in Normandy for many years and exported to England. The farmers in Normandy are now of the opinion that this trade with England has been practically destroyed, so tobacco growing was seized upon as being the logical "money" crop, because of the fact that France operates a government tobacco monoply in tobacco and its products.

Tobacco is grown in France under strict supervision for the purpose of insuring its quality and also to insure that the proper excise duties are paid. The excise men must be notified not only of every leaf but of every stalk of tobacco grown, and in order to do this the grower nips off all superfluous shoots so as to limit the number of leaves on each stalk to a specified number.

Also, a point in favor of this crop, is the fact that the government pays for its tobacco on the day of delivery, and this fact is largely responsible for the Normandy farmers' decision to resume the raising of tobacco.

McKESSON & ROBBINS REDUCES DEBT

McKesson & Robbins, Incorporated, one of the country's largest drug manufacturing organizations, reduced its bonded indebtedness by nearly $1,000,000 through purchases made in 1931, it was announced yesterday. Bonded debt on December 31 totaled approximately $21,000,000.

In the last six months of the year the company acquired $317,000 par value of its outstanding twenty-year 5½ per cent. debentures at an average price under fifty-eight. Further amounts had been acquired in the first half of the year. As a result of these open market purchases, it was stated officially, the company has fulfilled all of its sinking fund requirements up to and including July 15, 1932. No sinking fund obligations of any importance are due before January 15, 1933.

WERKHEISER FILES PETITION

James A. Werkheiser, trading as Menline's Cigar Company, Easton, Pa., filed a voluntary petition in bankruptcy last week. Liabilities were listed as $24,928, and assets $9924. Referee, George F. Coffin.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—APPROXIMATELY 70,000 POUNDS, PACKED WEIGHT, Southern Wisconsin tobacco—3 to 12 years old. L. G. Anderson, 2127 Iowa Street, Chicago, Ill.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

LIGGETT & MYERS' ANNUAL MEETING

Letters have been mailed to stockholders of the Liggett & Myers Tobacco Company, notifying them that the annual meeting of the stockholders of the company, for the election of directors and the transaction of such other business as may properly come before the meeting, will be held at the home office of the company, No. 15 Exchange Place, Jersey City, N. J., on Monday the fourteenth day of March, 1932, at 11 o'clock A. M.

Stockholders as of record February 15th, 3 o'clock P. M., will be entitled to vote at the meeting.

GRABOSKY BROTHERS ACTIVE

Grabosky Brothers, Inc., manufacturers of the "Royalist" cigar are actively campaigning on their brand and many attractive window displays of "Royalist" are seen throughout the city. These displays are producing results and the factory is humming along at good speed turning out the orders.

Joe Freeman, of New York, was in town calling on the trade for "Brook's Coronas," manufactured by T. E. Brooks & Company, Red Lion, Pa.

George H. Taylor, formerly with the New York branch of the Congress Cigar Company, was a visitor last week, representing W. C. Frutiger, York County manufacturer, on "Bank Note," "Gold Band" and "Victory."

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

DANWAY:—45,978. For all tobacco products. January 13, 1932. George Schlegel, Inc., New York, N. Y.

WHITE DOE:—45,979. For cigars. December 19, 1931. C. A. Kildow, Bethesda, Ohio.

TOP HATTERS:—45,980. For cigars. January 9, 1932. C. A. Kildow, Bethesda, Ohio.

TRANSFERS

A. M. WILLARD:—37,298 (United Registration Bureau). For cigars, cigarettes, cheroots and tobacco. Registered March 14, 1912, by American Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp. to Geo. Zifferblatt & Co., Philadelphia, Pa., December 17, 1931. (The transferors having acquired the cigar department from the original registrants.)

GERMANS SMOKING MORE CIGARETTES

CIGARETTES are challenging the supremacy of pipe smoking in Germany, hitherto one of the pipe's most firmly buttressed strongholds, according to a report recently made public by the Tobacco Division of the United States Department of Commerce. In 1930, production of cigarettes in Germany amounted to 29,366,800,000 as compared with 119,624,900,000 in the United States, where the trend to the cigarette is largely attributable according to authorities in the industry to the introduction of modern manufacturing methods such as the toasting process including the use of ultra violet rays and to aggressive advertising campaigns such as those explaining the benefits of this process for the removal of harmful irritants. The report of the Tobacco Division says, "pipe smoking is relatively popular throughout Germany among all classes of people, however, it cannot be said in general that Germany is a nation of pipe smokers because cigarettes lead in popularity. There is no social prejudice against pipe smoking in public such as exists in certain other countries. During the three-year period from 1928 through 1930, the consumption of smoking tobacco in Germany averaged about 82,747,000 pounds annually, or roughly, one and one-third pounds per capita." Cigarettes are also widely advertised in Germany.

BOWERS TO DIRECT DEISEL-WEMMER ADS.

The Thos. M. Bowers Advertising Agency, with offices in Chicago, New York and St. Louis, have been appointed advertising agents by the Deisel-Wemmer-Gilbert Corporation, of Detroit, manufacturers of "San Felice," "El Verso," "Dubonnet" and "Odin" brands of cigars.

The agency also announces their appointment by the Bernard Schwartz Cigar Corporation, of Detroit, manufacturers of the R. G. Dun and Bradstreet cigars.

Newspaper and local national chain radio programs will be used.

News from Congress

(*Continued from Page 10*)

imports enter duty free, it is declared, these receipts do not fully measure the extent of the invasion of our markets by depreciated currency countries. During the calendar year 1931, it is stated, 44 per cent. of our total imports came from countries whose currencies have depreciated from 10 to 35 per cent.

The decline in value of foreign currencies, it is explained, means a lowered cost of production abroad and enables foreign manufacturers to ship their goods to this country, pay the tariff duties and still quote prices which will meet domestic competition, while the American money so secured, it is pointed out, gives them a greater purchasing power at home because of its higher value in terms of their own currencies.

BROOKLYN BUS SMOKER HELD

Robert M. Rosenspan, twenty-seven years old, of 604 Park Avenue, Brooklyn, was held in $200 bail last week when arraigned before Magistrate Haubert in Flatbush Court on charges of disorderly conduct after four members of a police gun squad had hauled him off a B. M. T. bus in Brooklyn for smoking.

Isadore Saltzman, operator of the bus, said that he had told Rosenspan to stop smoking, but that he had puffed smoke in his face. The driver hailed a police car, and one of the policemen made Rosenspan throw away the cigar.

As the bus went down Utica Avenue, the driver said Rosenspan lighted a second cigar. When he protested, Saltzman said, the passenger began breaking windows and tearing at the seats. A passing gun squad was hailed. The smoker resisted, but was dragged off to court. A second charge of disorderly conduct and resisting arrest, was lodged against him.

"7-20-4" PRICE REDUCTION

R. G. Sullivan, Incorporated, Manchester, N. H., manufacturers of the "7-20-4" cigar, has announced that the wholesale price of the "7-20-4" londres size, effective February 1st, will be reduced from $95 a thousand to $80 a thousand, thus bringing the retail price of this size down to ten cents, instead of two for a quarter.

The other sizes and brands of the company remain unchanged.

BROOKS HEADS YORK ASSOCIATION

At the annual election of officers of the York County Cigar Manufacturers' Association, held on January 11th, T. E. Brooks was again re-elected president of the organization; Arthur McGuigan, vice-president; C. M. Ehehalt, secretary, and Arthur S. Ziegler, treasurer.

LIGGETT & MYERS DECLARE EXTRA

Directors of Liggett & Myers Tobacco Company have declared regular quarterly dividends of $1 a share on the $25 par common and common B stocks of the company, and an extra dividend of $1 a share on both classes of stock, all payable March 1st to stockholders of record February 15th.

The extra dividend is the same as dispersed last year.

VOLUME 52 No. 4

THE TOBACCO WORLD

LIBRARY RECEIVED FEB 1 U. S. Department of Agriculture

2 FOR 5¢

A brand new package for this grand old brand . . . Put Postmaster on the counter . . . Display it . . . Push it . . . Watch your sales jump . . . up . . . up . . . up.

INDIVIDUALLY BANDED . . . CELLOPHANE WRAPPED

POSTMASTER CIGARS

P. Lorillard Co., Inc., 119 West 40th Street
New York

automatic
machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS

Get all the facts now on automatic merchandizing.

Write for a sample copy

THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"

OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by **A. SANTAELLA & CO.**
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

WOODEN BOXES
Increased the Sale of
KING BEE CIGARS

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

TELEPHONE WEST 0217-0218-0219

WENGLER & MANDELL, INC.
MANUFACTURERS OF
TOM PALMER
WORLD'S GREATEST CIGAR

GENERAL OFFICES
1946-1950 W. MADISON ST.
CHICAGO, ILL.

FACTORY
TAMPA, FLORIDA

ADDRESS ALL COMMUNICATIONS TO GENERAL OFFICES

January 19, 1932.

Mr. E. M. Henofer, President,
Wooden Cigar Box Boosters Club,
216 Seaside Avenue,
Atlantic City, N.J.

Dear Sir:

In reply to your inquiry regarding the success we are having with our 5¢ KING BEE Cigar in wooden boxes, I would say that within my memory we have never offered a new package that received as spontaneous and enthusiastic reception as this one.

We have over five thousand KING BEE dealers in the City of Chicago. Many of these dealers are telling us daily how pleased they are with the new KING BEE wooden box. They are telling us how this box has helped sell more KING BEE Cigars to smokers.

The high praise for the wooden box on our part and on the part of our dealers is justified by a very substantial increase in the sale of KING BEE Cigars since they have been packed in wooden boxes.

Very truly yours,

WENGLER & MANDELL, INC.

Ralph R. Graham,
DGS

By Ralph R. Graham
President.

Volume 52 — THE TOBACCO WORLD — Number 4

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, FEBRUARY 15, 1932 — Foreign $3.50

LORILLARD PROFITS UP

THE P. Lorillard Company reports 1931 net profits of $4,054,841, an increase of 44 per cent. over 1930. Surplus as of December 31, was $19,585,157 compared with $16,576,072 in 1930, an increase of $3,009,084.

As of January 1, 1932, the company retired its ten-year 5½ per cent. debentures amounting to $13,758,000, which cut down its funded debt to $19,921,150.

The balance sheet shows current assets of $64,179,580, against current liabilities of $1,745,841, leaving a net working capital of $62,433,739. The previous annual balance sheet showed current assets of $73,736,273, against current liabilities of $1,473,838, leaving a net working capital of $72,262,435.

The company had on hand, December 31, 1931, cash in the sum of $13,812,652, exclusive of an amount on hand sufficient to retire all outstanding 5½ per cent. gold bonds. A year ago cash on hand was $16,976,386.

TAMPA PRODUCTION UP

According to production figures, cigar factories in Tampa produced 27,020,473 cigars during January, an increase of 5,251,403 over the production for the same month of the previous year.

Of this total number produced in January this year, 14,126,000 were Class A, and 9,877,000 were Class C, which does not leave a large number for Classes B, D and E.

LARUS & BROTHERS PUSHED TO CAPACITY

Larus & Brothers, manufacturers of "Edgeworth" smoking tobacco and other brands of tobacco products, announced the first of February that they were operating on a twenty-four-hour schedule to bring production up to the orders on hand. William T. Reed, president of the company, said: "We are running temporarily day and night and will probably do so all this week, as we are considerably behind in our orders."

UNITED STATES TOBACCO COMPANY NET GAINS

United States Tobacco Company reports for 1931, net profit of $3,020,779 after depreciation, development of brands, contingencies and Federal taxes, equivalent after 7 per cent. preferred dividends to $6.20 a share on 457,850 no par shares of common stock. This compares with $2,950,818, or $5.60 a common share in 1930.

THE CAPPER-KELLY BILL AGAIN

APROPOS of the hearings on the Capper-Kelly Resale Price Maintenance Bill, which is before the Senate Committee on Interstate Commerce at the present time, the editor of the Modern Merchant and Grocery World aptly puts the whole question as to whether this bill should become law or not in the following manner:

"The Capper-Kelly bill is in Congress again and hearings are being held on it in Washington now. The Capper-Kelly bill would authorize the manufacture of a trade-marked article to forbid price cutting in connection with it. In other words, the manufacturer could tell retailers what he wanted them to resell for, and they would have to do it.

"Another serious blow at chain store methods, and if a sufficient number of manufacturers went along with it, the professional cutter would find most of his occupation gone.

"The best argument that could possibly be made for the passage of this bill was made a week ago by the Federal Trade Commission, in its report to the Senate on chain stores' methods of handling price leaders. That report wasn't filed at the time it was, with any idea of influencing the Capper-Kelly bill action, but it nevertheless went in at the absolutely psychological moment. It established it as a fact that chain stores, as a regular habit, take this or that nationally known brand, and sell it sometimes at more than 20 per cent. loss. A boy could see of course that there was no legitimate competition in that—it was slaughter, done solely to attract customers, and no independent with one store could possibly follow.

"The question which is before Congress, in its consideration of the Capper-Kelly bill, is therefore this: Ought it to be legal for a chain store system, with a thousand times the resources of the independent who must compete with it, to take a standard piece of merchandise and sell it at a loss of over 20 per cent.—or at 30 per cent. loss if it sees fit to do it—not to move it or for any other reasonable reason, but solely to dupe people into its stores, when the result is to greatly depreciate the particular brand as an article of merchandise, and prevent legitimate merchants from selling it at all?

"That is the question, and a lot of people are hopeful that Congress may answer it in the negative. I feel they are closer to answering it that way than they have ever been before."

This bill is receiving plenty of opposition, and if the independent retailers of the country are interested in having this bill become law, it would be a good thing for them to write or wire their Senators and Congressmen in Washington urging them to vote in favor of the bill.

TOBACCO REVENUE DROPS

THE Internal Revenue Bureau at Washington reports that for the 1931 calendar year, use of cigars and cigarettes dropped away sharply, while consumption of manufactured tobacco remained about stationary.

Cigars taken out of bond numbered 5,318,892,528, a decrease of 571,000,000, and the number of cigarettes was 113,449,048,657, a decrease of 6,200,000,000.

The use of playing cards increased, the figures indicated, with tax being paid on 48,683,675 decks, against 47,895,217 decks the last year.

Tobacco returned a total of $424,532,735 in revenue to the Government last year, as compared with $446,-156,354 the previous year. The cigar tax dropped $3,000,000 to $16,389,164, while the cigarette tax fell off approximately $18,000,000 to $340,397,045. Manufactured snuff and tobacco returned $66,152,933, a drop of $251,000. Cigarette papers brought slightly increased revenue of $1,593,591, as compared to $1,401,643 the previous year.

North Carolina, as usual, led the way in the cigarette tax with a return of $215,841,193. This was a decline, however, of approximately $16,000,000 from the previous year, while Virginia returned $84,135,220, an increase of $2,100,000.

Pennsylvania, with total revenue of $4,952,894, led the way in cigar production, but showed a decrease of $950,000 against the previous year. New Jersey returned $2,445,456, a drop of $355,000, while Connecticut reported $2,161,914, a fall of $380,000.

New York again led in tax on bonds of indebtedness, capital stock issues, etc., and capital stock sales and transfers. The state returned $6,184,111 for the former, which was a decline of $5,800,000 and $19,924,-942 for the latter, a decrease of $11,000,000.

The total tax on bonds of indebtedness, capital stock issues, etc., was $10,964,169, as compared with $20,037,078 in 1930, while that on stock sales and transfers was $22,383,706, against $33,827,529.

The total stamp tax last year was $39,326,694, against $61,172,403.

BAYUK CIGARS EARNINGS

Bayuk Cigars, Incorporated, for 1931 reports profit of $255,751 after depreciation, interest, etc., but before reserves of $1,107,012 for adjustment of inventories of cigars and tobacco which were charged against surplus account.

This compares with net income of $580,581 after depreciation, interest, Federal taxes, etc., equivalent, after preferred dividends, to $3.04 a share on 98,851 no par common shares in 1930.

The balance sheet shows notes payable had been reduced during the year from $2,550,000 to $700,000.

GENERAL CIGAR EARNINGS

General Cigar Company reports net profit of $2,720,667 for 1931, equivalent after preferred dividends to $5.01 a share on 472,982 shares of common stock. Current assets were $27,104,605 and current liabilities were $1,360,659, compared with current assets of $27,030,564 and current liabilities of $1,681,513 in 1930.

DR. AARON H. BALLIET DEAD

DR. AARON H. BALLIET, of Allentown, Pa., who operated one of the largest cigar box factories in the country, passed away on Saturday, February 6, in St. Anthony's Hospital in St. Petersburg, Fla., in his sixty-fifth year.

Dr. Balliet entered the cigar box business about 1900 when he became associated with Walter Biery who operated the Eagle Cigar Box Factory. In 1906 he acquired his partner's interest and developed one of the largest plants in the country. In more recent years he patented mechanical equipment which enabled him to produce cigar boxes under the most modern methods of manufacture.

During his lifetime he served many of the most important cigar manufacturers in the East with their cigar boxes. In addition he operated a cigar box lumber manufacturing plant and in recent years sold Spanish cedar cigar box lumber.

Walter Wolf, purchasing agent of the General Cigar Company, and Mr. Gross, district factory superintendent of the same company, were among the representatives of the cigar industry in attendance at the services.

He is survived by his widow, the former Anna Morgan; one daughter, Mrs. Rodgers Neely; one granddaughter, Jane Neely; and one sister, Miss Ada M. Balliet.

Services were held on Tuesday, February 9, at his late residence, 1412 Hamilton Street, Allentown, Pa. Interment was in Fairview Cemetery, Allentown.

CHAIN STORE SALES

Dominion Stores—For five weeks to January 30th gross sales amounted to $2,187,906, compared with $2,322,765 for the like period in 1931, a decrease of 5.80 per cent.

Great Atlantic and Pacific Tea Company—Sales for four weeks ended January 30th amounted to $68,-966,599, compared with $78,814,870 for the like four weeks in 1931, a decrease of 12.5 per cent. Tonnage sales for the month were 395,428, compared with 410,807 last year.

American Stores Company—Reports for January sales of $10,120,540, compared with sales of $12,497,110 for the like month in 1931. This is a decrease of $2,376,570, or 19 per cent.

Exchange Buffet, New York, reports sales totaling $3,714,519 for nine months ended January 31, 1932, as compared with $4,517,551 for the same period ending January 31, 1931, a decrease of 17.77 per cent. Sales for January, 1932, were $414,752, as compared with $512,147 for January, 1931.

"Target" cigarette-making machines and tobacco were introduced in New York City last week. Window demonstrations are drawing huge crowds. The makers, Brown & Williamson Tobacco Corporation, Louisville, Kentucky, have received even a greater volume in the big city than in any other part of the country. "Target" is repeating its success and now has a nation-wide distribution. The slogan, "thirty or more cigarettes for a dime," is putting "Target" over big. "Target" cigarette tobacco advertising is now appearing in a long list of magazines, farm papers and country papers.

NATURALLY *FRESH*

never parched, never toasted!

The cool, flavorful *freshness* of Camel cigarettes is purely a natural product.

It is attained not by any mysterious processes, but simply by preserving the full natural goodness of fine sun-ripened tobaccos.

These choice tobaccos of which Camels are blended — fine Turkish and mild Domestic tobaccos — are never parched or toasted.

On the contrary we exercise every care and precaution to safeguard the natural moisture which is infused with their mildness and flavor.

That's why the Camel Humidor Pack is such a boon to Camel smokers — it could do little or nothing except for the fact that the cigarettes we put into it are fresh to start with.

To see what that means in cool, smooth, throat-friendly smoking pleasure, switch to *fresh* Camels for just one day — then leave them — if you can!

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

"Are you Listenin'?"

R. J. REYNOLDS TOBACCO COMPANY'S COAST-TO-COAST RADIO PROGRAMS

CAMEL QUARTER HOUR, Morton Downey, Tony Wons, and Camel Orchestra, direction Jacques Renard, every night except Sunday, Columbia Broadcasting System

PRINCE ALBERT QUARTER HOUR, Alice Joy, "Old Hunch," and Prince Albert Orchestra, every night except Sunday, N. B. C. Red Network

See radio page of local newspaper for time

Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against perfume and powder odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time

© 1932, R. J. Reynolds Tobacco Company

CAMELS

***Made* FRESH — *Kept* FRESH**

PHILADELPHIA.

"HABANELLO" DISTRIBUTION EXPANDING

GEORGE ZIFFERBLATT & COMPANY, manufacturers of the "Habanello" brand, report the opening of several new jobbing accounts recently. These new accounts include Tinkham Brothers, Incorporated, of Jamestown, N. Y., with branch offices in Buffalo, and they will distribute the "Habanello" cigar in those territories.

Amedee Levie, western representative of George Zifferblatt & Company, has opened a jobbing account with the McKesson-Minneapolis Drug Company, Minneapolis, Minn., and the "Habanello" is meeting with a good demand there under their leadership.

H. S. McGinness has recently been doing some very successful work in opening new accounts on "Habanello" through the Pittsburgh, Pa., distributors, Bock-Stauffer Company.

TRADE JOTTINGS

James Heaney, representing the American Cigar Company on their "Antonio y Cleopatra," was a visitor at Yahn & McDonnell headquarters, 617 Chestnut Street. "Antonio y Cleopatra" cigars have been enjoying a steady demand here under their direction.

Yahn & McDonnell report a good demand for "Blackstone" and "Optimo."

E. A. Kline, head of the "Medalist" firm, was a visitor at John Wagner & Sons, local distributors, last week. The "Medalist" brand has a good steady sale here in spite of "Lady" Depression, which Mr. Kline so kindly calls her. However, we don't consider her a "lady."

The "Carl Upmann" cigar is showing a steady increase in demand in this territory under the direction of John Wagner & Sons, local distributors, of 233 Dock Street.

The Pocono Cigarette making machine and cigarette tobacco has been forcefully demonstrated during the past week in prominent downtown stores and received earnest attention from the crowds gathered in front of the windows. The Pocono machine and tobacco are products of the Penn Tobacco Company, Wilkes-Barre, Pa.

The individual cigarette making machines and tobacco have been meeting with an active demand here recently.

A. JOSEPH NEWMAN RECOVERS FROM ILLNESS

AT Bayuk Cigars, Incorporated, headquarters we received the good news that A. Joseph Newman, general sales manager of the company, is back at his desk, having fully recovered from his recent illness, and well prepared to attack the selling campaign of Bayuk cigars with his usual vigor.

The Jersey City Tobacco Company, active distributors of Bayuk Cigars in their territory, are developing a splendid distribution and sale on Bayuk products. They have recently been assisted by Messrs. Wright and Munson, of the Bayuk sales force.

Rapp & Klein Cigar Company, Bayuk distributors in the Lafayette, Indiana, territory, are increasing their business through the distribution and sale of Bayuk cigars in their territory, and recently had the assistance of F. B. Mueller, Bayuk territorial manager, who did some effective promotional work.

A. C. Roy, New England territorial manager, Charles L. Steffen, Ohio territorial manager, and Frank H. Goodwin, branch manager of the Boston branch of Bayuk Cigars, Incorporated, were visitors at headquarters on Friday, where they conferred on plans for increasing the distribution and sale of Bayuk products in their respective territories.

E. M. Hirst has been made chairman of the local committee which is assisting the National Association of Advertising Men in their efforts to secure the donation of thirty seconds from the radio broadcasting program of all local radio advertisers, to be devoted to a vigorous campaign by the Advertising Association to stimulate business.

A. First, of the purchasing department of Bayuk Cigars, is receiving the sympathy of his many friends due to the loss of his mother who passed away here last week.

Funeral services were held on Thursday, February 11, with interment in Harrisburg, Pa.

Mrs. First is survived by her husband, two sons and a daughter.

TAX REFUND FOR WEBSTER EISENLOHR

Among the tax refunds authorized by the Pennsylvania Board of Finance and Revenue at Harrisburg, on February 4th, a refund in the form of a credit was allowed Webster Eisenlohr, Incorporated, Philadelphia, $767 on 1930 capital stock tax.

"Cream of the Crop"
LUCKY STRIKE
"IT'S TOASTED"
CIGARETTES
Robert Montgomery
Copr., 1932, The American Tobacco Co.
"There are no better cigarettes"
HE BOBBED UP SMILING
Bob Montgomery has been an iron worker, deck hand, railroad mechanic and a booed-at extra in Hollywood . . . He zoomed to the top in noise-reels because the gals were cuh-razy over his grin . . . And they'll go completely zooey when they see him in his latest M-G-M, "LOVERS COURAGEOUS" . . . He's stuck to LUCKIES these last 7 years . . . Not a buffalo nickel was paid for his statement . . . He gave it just for a pleasant "Thank You."
"I have always used LUCKIES—as far as I am concerned there are no better cigarettes—congratulations also on your improved Cellophane wrapper with that little tab that opens your package so easily."
Robert Montgomery
"It's toasted"
Your Throat Protection—against irritation—against cough
And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh

LIGGETT & MYERS IN EXCELLENT POSITION

EARNINGS of Liggett & Myers Tobacco Company were $23,121,382 last year, or $6.87 a common share. They cover the dividend payments of $5 a share during the year, and permit a further substantial addition to surplus at the end of the year. Earnings in 1930 were $24,002,315, equal to $7.15 a common share, and established an all-time record for Liggett & Myers.

Liggett & Myers Tobacco Company was favored last year by low tobacco prices, as well as by a price advance in the last six months of the year. In 1932, company will have the benefit of higher price for cigarettes for the full twelve months, and will be aided by lower average prices for tobacco.

Working capital of $151,134,177, as of December 31, 1931, was up about $6,000,000 over the position at the end of 1930, and around $27,000,000 over working capital on December 31, 1929. Cash holdings and security and bond investment, at the end of 1931, totaled $55,500,000, against $37,999,000 at the end of 1930. Reduction of $11,000,000 in inventory was due, at least in part, to low tobacco prices.

The smoking tobacco business held up well during the year, a trend forecast by the Government figures during 1931. "Granger," a smoking tobacco suitable for pipe consumption, has made the most rapid advance in this division of Liggett & Myers' business.

For the latter six months of 1931, Liggett & Myers, like other cigarette manufacturers, had the benefit of the forty-five-cent advance in the wholesale price of cigarettes.

Assuming that no change will be made in the wholesale price this year, the benefit of the higher price will prevail for the full twelve months. This favorable factor, however, may be partially offset by the downward trend in cigarette consumption, and by the possibility that further State taxes may cause 1932 consumption of cigarettes to show a greater decline than the 5 per cent. drop recorded in 1931.

While most State legislatures are not regularly scheduled for sessions in 1932, the adoption of a cigarette tax, by any of the more populous States, would have a severely depressing effect on the industry.

The following table compares earnings, common dividends payments, inventory and cash and securities held by the company, including stock in subsidiary companies:

Year	Earnings	Common Dividends	Inventories	Cash and Securities
1931..	$23,121,382	$15,684,595	$90,044,682	$55,504,984
1930..	24,002,315	14,639,188	101,131,855	37,990,180
1929..	22,017,127	13,071,190	103,181,694	21,550,482
1928..	19,408,644	13,071,190	92,851,710	24,676,575
1927..	18,743,395	10,041,050	95,893,891	20,358,997
1926..	17,636,946	9,128,205	88,546,283	17,735,948
1925..	15,289,652	7,886,394	75,088,039	18,574,820
1924..	11,969,828	4,898,455	65,999,110	17,672,045
1923..	9,622,397	4,038,993	60,153,177	15,706,400
1922..	9,724,294	3,965,775	59,550,292	13,977,906

A feature of Liggett & Myers' report for 1931 was the shifting of some of the company's investment from tobacco into preferred stocks and bonds. Inventory, at the end of the year, showed a reduction of approximately $11,000,000, and cash was down nearly $6,000,000.

More than offsetting this was an investment in United States Government, State and municipal bonds of $20,980,450, and the purchase of preferred stocks, carried at $2,480,785.

The already strong position of the company was further improved, at the end of the year, by the additional income not paid out in dividends. Current assets, at the end of the year, amounted to $156,062,104, excluding the company's investment in subsidiary companies.

This compared with current assets of $151,082,182 at the end of 1930. Current liabilities on December 31, 1931, were $4,927,927, against $6,067,948 a year previous, leaving working capital at the end of 1931 of $151,134,177, against $145,017,234 at the end of 1930. Compared with working capital at the end of 1929, the 1931 figure was up $27,000,000.

The working capital position at the end of the last ten years is compared with the following table:

Year	Current Assets	Current Liabilities	Working Capital	Surplus
1931..	$156,062,104	$4,927,927	$151,134,177	$34,072,823
1930..	151,082,182	6,067,948	145,017,234	28,212,023
1929..	137,020,397	12,884,303	124,136,094	*20,424,884
1928..	127,844,419	10,604,193	117,240,226	53,764,643
1927..	126,791,839	14,659,711	112,132,128	†49,003,176
1926..	117,464,216	10,172,566	107,291,650	†47,818,268
1925..	115,399,817	4,590,563	111,107,254	46,286,814
1924..	92,274,435	10,163,181	82,109,254	46,459,544
1923..	83,336,292	15,817,153	67,519,139	34,964,157
1922..	79,269,382	16,022,538	63,246,844	30,956,740

* After writing down brands, trade-marks and goodwill to $1.
† Stock dividends of 10% in common B stock.

The drop of about 11 per cent. in Liggett & Myers' inventory last year does not mean that the company reduced its actual holdings of tobacco to that extent. Prices for tobacco have moved steadily lower in the past two years, and, currently, are about half what they were several years ago.

Thus, an actual increase in the number of pounds of tobacco held for future business could be obscured by a decline in the price at which such tobacco is carried on the company's books.

This will be an important factor in the company's profit margin this year. Because of the varying lengths of time which tobacco must be held for curing, it is impossible to estimate what percentage of inventories are consumed annually in production.

With domestic leaf of all types selling near the lowest prices in the history of tobacco growing, however, Liggett & Myers, and all other producers are in a strong position as regards raw materials.

GENERAL COMPANY SOLD 776,000,000 IN 1931

ALTHOUGH production of cigars in the United States declined 9.22 per cent. in 1931, the sales of the General Cigar Company show a decrease in sales of only .02 per cent. The company sold 776,000,000 cigars last year and its inventory at the end of the year included only 21,000,000 cigars, sufficient for only ten days' average sales.

A reduction in the price of the company's "White Owl" brand in February and again in June, however, caused a decline in the total dollar sales.

Current assets of the company on December 31, 1931, were $27,104,605, and current liabilities were $1,350,659, as compared with $27,030,564 and $1,681,513 respectively at the end of 1930.

Written for Smokers who want Hard-pan Facts

YOU'VE seen it in Movies... on bill-boards... in newspapers... and you've heard it over the radio. The famous slogan, *"They Satisfy."*

It means Chesterfields click... give smokers what they want. Now let us tell you the "reason why!"

Smoke-satisfaction in Chesterfield comes from just one thing... our rigid rule of making every Chesterfield cigarette *the very best that money and science can produce.*

That's why Chesterfield tobaccos are the mildest that grow. That's why the paper that's wrapped around Chesterfield is the whitest and purest cigarette paper made. That's why we not only blend our tobaccos... but *cross-blend* them. To bring out the fine flavor that is so definitely *Chesterfield.*

Everything the best... that's the whole Chesterfield story. Milder... taste better... pure. Good... they've got to be, because they're made that way. That's the reason why Chesterfields satisfy.

● Tonight, listen to Chesterfield's Radio Program. Nat Shilkret and his Orchestra and Alex Gray, popular soloist . . . Columbia Coast-to-Coast Network . . . 10:30 E. S. T., daily except Sunday.

THEY'RE MILDER · · THEY'RE PURE · · THEY TASTE BETTER · · They Satisfy

© 1932, Liggett & Myers Tobacco Co.

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

WITH hearings on taxes finally closed, the Ways and Means Committee now is engaged in drafting the measure to be submitted to the House of Representatives, but presentation of the bill is not expected before the end of the month, the decision not to make the new tax rates retroactive having eliminated all necessity for haste.

Warning that a number of excise taxes on commodities may have to be resorted to in the effort to raise the billion dollars planned by the committee has been issued by Representative Crisp, of Georgia, acting chairman during the illness of Representative Collier, of Mississippi.

Reiterating the decision of the committee to balance the budget, Mr. Crisp warned witnesses appearing in opposition to recently suggested new taxes on gas, electricity and telephones that numerous excise taxes must be imposed if this is to be done.

The administration program, it was admitted by Undersecretary of the Treasury Ogden L. Mills, will fall short by at least $300,000,000 of raising the amount originally estimated. Accordingly, Mr. Crisp pointed out, it will fall upon the committee to devise means of raising money, and while every effort will be made to impose taxes as little burdensome as possible, some industries, he declared, must fairly face the fact that they will be taxed.

"Unless the financial stability of the United States is maintained, every citizen of the United States will be adversely affected," he asserted. "In my own judgment unless the Federal budget is balanced the Reconstruction Finance Corporation and all other relief measures passed by this Congress will prove futile.

"There will have to be levied many excise taxes for from the income tax, both corporate and individual, and estate tax, it is impossible to raise sufficient revenue. The American people must realize the seriousness of this emergency and be prepared to make sacrifices for the good of all."

Higher Duties Proposed to Offset Currency Depreciation

Imposition of additional duties upon merchandise from countries whose currencies have depreciated, sufficient to make the customs imposts upon such goods equal to what they would be under normal currency values, and revision of the anti-dumping provisions of the tariff act to prevent the unloading upon our markets of merchandise at sub-normal prices, are provided for in measures introduced in the House of Representatives by Congressman Hawley, of Oregon, ranking Republican member of the Ways and Means Committee.

The additional duties would be imposed upon imports from countries whose currencies shall be shown to have depreciated 5 per cent. or more since October 1, 1931.

Specifically, the measure is aimed at nations which have formally gone off the gold standard and thus are enabled to produce commodities at lower costs than when their currencies were fully guaranteed. It would apply, however, to certain other countries whose currencies have depreciated, although ostensibly still on the gold standard.

Comparisons of New York foreign exchange quotations since October 1st show that the bill would affect England, Japan, Norway, Denmark, Finland, Portugal, Spain, Sweden and India. There are all told, however, seventeen countries which are off the gold standard.

Before the several nations went off the gold standard, Representative Hawley explained, tariff duties on their imports into the United States were figured on the normal exchange value of their currency. Since then, however, these imports have been coming into the United States, figuratively, at lower rates and have thus placed an added burden on our own industries. The measure, he said, places the countervailing duties of the present law in effect on the products of those nations in such fashion as to raise rates to the levels intended.

While not advised as to the amount of revenue that would be raised under the bill, he expressed the belief it would run into millions of dollars.

Foreign Trade Agreements Being Watched

Efforts of foreign countries to pull themselves out of depression by making preferential trade agreements with individual nations which are good markets for them and whose products, in turn, they use, by the imposition of import quotas or by other similar expedients, are being closely watched by the State Department, which last month lodged a strong protest with France against quotas imposed upon the importation of certain products which, it is declared, do "not take due account of the present position of the American industry in the French market."

The attitude of the United States has always been one of non-interference with the tariff duties of foreign nations so long as there is no discrimination against this country's commerce, but does closely watch quotas and preferential agreements which, in the opinion of the Government, are per se discriminatory.

"This Government is definitely opposed to any system of quotas in international trade," the State De-

(Continued on Page 14)

PROFESSOR WINCHELL

THE serious minded have often wondered just why it is that slang, colloquialisms, and the novel expressions of columnists and certain modern rhymesters have such tremendous appeal to the public. If you are an educator or a professional student it is quite possible to get stirred up about it, for you view these exponents of invention as betrayers of the purity of the language. Still, the Bowdoin Orient has again established by a poll that there are a few men of letters who are not particularly alarmed.

One Walter Winchell is probably the dean of the contemporary language manglers. Upon his head is heaped the condemnation of those who feel that the English language is satisfactory as it is and the praise of those who welcome his unique contributions. More than any other living American, whether we like or not, he is putting many perfectly good words into the ranks of the part-time employed and introducing new ones to work with them.

His influence cannot be denied. The educated and the unschooled quote him, at first as mimics, later unconsciously. His "Renovate" for divorce, and "blessed event" for baby, for instance, are commonly used today throughout the country, so commonly, indeed, that Professor Winchell, word inventor, is hard put to it these days to make the public remember that they are his originations.

Why is it that Americans are so prompt to adopt new words and expressions? Is it because the words already provided for us are unsatisfactory? The true explanation probably lies in the wit which accompanies the Winchellizing and the American weakness for taking to its bosom almost everything new and sparkling, much as children grab for a shiny bauble. In adopting for everyday parlance the Winchell evpressions we are not abandoning the words for which they substitute, but merely supplementing them, adding cheerful and gay garments to our correct and dignified verbal wardrobe, as it were.—*Portland (Me.) Press-Herald.*

JAMES DIXON A SUICIDE

James M. Dixon, former president of the Tobacco Products Corporation and a former director of the America Tobacco Company, committed suicide on February 2d by shooting himself. He was found dead in his office at Springfield, Mo. He had been despondent over the loss of his fortune. He was fifty-eight.

In his early years Mr. Dixon was associated with James B. Duke, founder of the American Tobacco Company. In 1915 he was elected vice-president of the Tobacco Products Corporation and in 1919 he became president when George J. Whelan resigned that office. When the brands of the Tobacco Products Corporation were leased to the American Tobacco Company in 1923, Mr. Dixon became a director of the latter company, resigning a few months later. Several years ago he returned to his home in Springfield and at the time of his death he represented the Hill Monument Company of Des Moines.

During his early career Mr. Dixon was a buyer of tobacco leaf in Turkey and Greece and was at one time sales manager for Stephano Brothers of Philadelphia. He had been the possessor of a large fortune and during the height of his business career he owned a $100,000 home in White Plains, N. Y. It was reported from Springfield that he had lost his entire fortune.

PHIL M. PHULOFAX,★
D. B. I. (*the retailer's friend*)
says:

© B. C., Inc., 1932

"Green glasses don't make green grasses"

I ALWAYS get a chuckle out of the gag about the Scotchman who put green goggles on his horse to fool him into eating wooden shavings. . . . The horse died.

Nevertheless, substitution or imitation is no joke — whether you practice it on a horse or a customer. It doesn't help the customer any; and sooner or later there comes a kick-back that's sure to leave a dent in the perpetrator's respectability. J. J. S., cigar retailer in Los Angeles, Cal., handles the subject without gloves:

"The first thing a cigar retailer should think about is to be honest with his customers. If a customer asks me for a certain brand of cigar, I never try to sell him something else . . . I give him no reason to suspect that I'm trying to 'put over' an inferior cigar at a bigger profit. If I haven't the brand he calls for, I suggest a choice of several well-known brands in about the same class. I also watch out for the imitations of popular brands. In fact, I'm surprised that there should be salesmen and manufacturers so irresponsible or daring as to actually imitate the boxes or bands of well-known cigars—and offering them to dealers on a long-profit bait—because the quality, naturally, is very much lower. I've known cases where the dealer was frankly told that the imitation offered him a chance to hoodwink his customers and 'clean up.'

"These are times when cigar smoking must be cultivated and customers courted. It can't be done with cigars that look like the real thing but taste like wrapping paper."

Right you are, J. J. S. There's no more sense today in slipping a customer a phony smoke than there is in slipping old Dobbin a mess of shavings instead of hay. Cigar materials are lower; cigar qualities are higher than ever before. The situation is ideal for building business by increasing the volume of consumption.

Phil M. Phulofax★
D.B.I.

★ *Associated with*
BAYUK CIGARS, INC., *Philadelphia*
Makers of fine cigars since 1897

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR (BAYUK "PHILLIES")
BAYUK HAVANA RIBBON BAYUK MAPACUBA
PRINCE HAMLET CHARLES THOMSON

D. E. KLEIN HONORED ON ANNIVERSARY

ON JANUARY 30 members of the D. Emil Klein Company, and the subscribers to the original stock in the D. Emil Klein Company, gathered in a private dining room of the Metropolis Club, in New York City, to celebrate the tenth anniversary of the company. The party was strictly a stag affair, and forty-five persons were present.

The executive group of the company presented Mr. Klein with a handsome token of their esteem and affection for him in the form of a "cheerio" bar on wheels. James Torrens, treasurer of the D. Emil Klein Company, who has been associated with Mr. Klein for twenty-six years, made the speech of presentation on behalf of his associates. It was to be regretted that "Jim" found it necessary to condense his remarks to a few brief words. But short as his speech was, it was pithy and reflected the esteem and affection of the donors.

Though the affair was strictly stag, the girls in the Klein organization also were present by proxy. Herbert Weil, secretary, on behalf of the absent femininity, read a poem from the girls which accompanied the presentation of a beautiful smoking stand to Mr. Klein.

The president replied with a graceful speech of appreciation in which he expressed gratitude for the loyalty and co-operation of his staff and stated that the occasion would ever be recalled by him as the most memorable evening of his life.

Towards the end of the dinner a bellboy shouting "Extra!" brought in copies of a humorous magazine, "The Deklein," replete with comic "personals" and burlesque material. This publication was specially edited for the function.

Music was supplied by an orchestra under the direction of Vincent Sorey, who conducted The Haddon Hall radio broadcasts.

At the conclusion of the banquet, Professor Kaldah, a famed mind reader and entertainer, proved that the mind is quicker than the eye. His feats of mental telepathy and mathematical deduction gripped the audience and he was warmly applauded for his many remarkable demonstrations.

JANUARY TOBACCO SALES

Kentucky warehouses sold 205,689,591 pounds of tobacco for $15,897,475.83 during January, as compared to 189,652,608 pounds sold for $25,539,999 during January of 1931.

The Commissioner of Agriculture's report on Thursday showed 170,701,400 pounds of burley were sold for $14,616,321.11, an average of $8.56 per 100 pounds, and 35,988,191 pounds of dark tobacco for $1,281,154.72, an average of $3.66 per 100 pounds. The average for burleys in the same month last year was $15.01 and for dark tobacco $7.90.

The Paris market had the highest average, with 10.96 per 100 pounds for burley. Lexington was second, with $10.69, and Cynthiana third, with $9.10. Hopkinsville had the highest dark market average with $5.73 per 100 pounds.

OLLENDORF RETURNS FROM EUROPE

Jonas J. Ollendorf, well known cigar salesman and former president of the Tobacco Salesmen's Association, of New York City, has returned from a trip to Europe, where he has spent a month, accompanied by Mrs. Ollendorf, "seeing the sights."

SCHULTE AGAIN GIVES COUPONS

THE SCHULTE Cigar Stores Company on January 27th again began issuing profit-sharing coupons to all customers whose purchases amounted to eight cents or more in their stores. The giving of coupons, formerly looked upon as a huge inducement to attract customers to both the United and the Schulte Cigar Store Chains, was discontinued by both chains a few years ago, but the time for exchanging the coupons for merchandise was continued for another year. At that time the United Stores were presenting their customers with United Profit-Sharing coupons and the Schulte Stores were distributing Mutual Profit-Sharing coupons.

The Schulte stores, upon resuming the distribution of profit-sharing coupons, are using the United Profit-Sharing Company's coupons. The United Cigar Stores Company have not as yet begun the distribution of profit-sharing coupons, but the experiment by the Schulte stores is being closely watched, and should the United stores suffer a loss in sales through not again adopting the coupon system, they will no doubt adopt it at once.

WOULD CONTINUE USE OF "HAVANA"

Although three York County cigar manufacturers admit that the use of the word "Havana" in the labeling of their products was "misleading" inasmuch as they use no Cuban-grown tobacco in those products, they have petitioned the Federal Trade Commission at Washington for permission to continue the use of the word "Havana" in connection with their established brands in a modified way.

The three companies united in a petition appealing to the Commission to allow them to continue the use of the word on their labels, with the provision that the labels also bear a printed notation to the effect that the cigars contain no Havana tobacco.

DUNHILL PIPES NOW $7.50

Effective February 1st, the retail price of Dunhill pipes is $7.50 instead of $10 as formerly. The Dunhill Company believes that this reduction in price will bring their pipes within the reach of a greater number of pipe smokers and sales will show a corresponding increase.

It is understood that the depreciation of the English pound was instrumental in bringing about the reduction. The Dunhill pipes are now being billed at $4.60, less 2 per cent. ten days, f. o. b. New York. On stock purchased during January, 1931, the dealer will receive a credit memorandum of $1 per pipe.

6016 CIGAR STORES IN PENNSYLVANIA

According to the 1930 Census of Distribution, as announced by the Bureau of the Census, Washington, D. C., Pennsylvania has 6016 cigar stores and stands.

There are 709 cigar stores in the State with soda fountains which do an aggregate business of $6,179,245; 4013 cigar stores without fountains with a total business of $28,697,714, and 1294 cigar stands with a total business of $6,094,249.

BENSON AND HEDGES REPORT

Benson and Hedges, manufacturers of tobacco products, report net profit for the year ended December 31, 1931, of $2032 after interest, depreciation and Federal taxes, equivalent to eleven cents a share on 18,000 no-par shares of preferred stock. This compares with $16,031, or eighty-nine cents a share on preferred in the previous year.

Make Your Good Cigars Better By Packing Them In Wooden Boxes

When thirst attacks the athlete in his gruelling endeavors, the fever-racked patient in the home or hospital, or the wounded soldier on the battlefield, the cry is for "water"—Nature's unimitated and assuaging potion throughout the ages.

And the newly made cigar, temporarily ill from the casing and blending processes, cries for relief. Again Nature answers the call with a natural product—the wooden cigar box. Its porous character not only enables the cigar to breathe and rid itself of excessive moisture and any impurities, but at the same time to ripen and give the smoker the utmost in cigar satisfaction.

The new AUTOKRAFT wooden cigar box meets all the requirements of the cigar manufacturer for a dependable natural wood container for his brands. Equally important is the fact that although only thoroughly tested materials which must meet definite quality standards, are used, the new AUTOKRAFT package satisfies the demand for a better cigar box at a lower cost.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

EXPORTS OF CIGARETTES LEAD

EXTENT of the popularity of American cigarettes abroad is indicated by Department of Commerce figures just made public. This liking for American cigarettes in other countries as well as in the United States is largely attributable according to authorities in the industry to modern methods of manufacture such as the toasting process including the use of ultra violet rays. Exports of cigarettes for 1931, according to preliminary reports, represented three-fourths of the total foreign sales of American manufactured tobacco products. The Department of Commerce figures show that cigarette exports from the United States during 1931 accounted for $6,753,908 of the total foreign sales of $8,711,113 for all manufactured tobacco products in the period. Chewing tobacco exports amounted to $1,113,568 while smoking tobacco exports totaled $774,910.

NICHOLAS COMPANY TO DISTRIBUTE "DIMITRINO"

Following the retirement from business of F. Dohrn, New York City, formerly United States agent for the "Dimitrino" cigarette, it was announced that the agency for this finest of imported Egyptian cigarettes had been turned over to the Nicholas Company, Limited, 98 Wall Street, New York City.

Mr. Dohrn had been associated with the distribution of the "Dimitrino" cigarette in this country for twenty-eight years, and in that time had built up a substantial distribution and sale of the brand, in spite of the high cost of the brand.

The Nicholas Company is in a particularly advantageous position to maintain this distribution and sale of the "Dimitrino" brand.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
CHARLES D. COLEMAN, Chicago, Ill. ..... Vice-President
ABRAHAM SILETT, 1153 Herkimer St., Brooklyn, N. Y. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

TOBACCO PRODUCTS PLAN IN EFFECT

THE banking committee for the Tobacco Products Corporation yesterday notified holders of certificates of deposit for Class A stock and common stock that the plan of reorganization had been declared operative. The notification was signed by Percy H. Johnston, Charles H. McCain and Charles H. Sabin, chairman of the committee.

The notice was as follows:

"The plan of reorganization of Tobacco Products Corporation has been declared operative. Notice will be given later as to the date when debentures of Tobacco Products Corporation of New Jersey and the stock of Tobacco Products Corporation of Delaware will be available for exchange under the plan, against surrender of certificates of deposit. Until such notice depositors should not surrender their certificates of deposit for exchange."

The plan of reorganization provides for the formation of two companies, Tobacco Products Corporation of New Jersey and Tobacco Products Corporation of Delaware, to take the place of Tobacco Products Corporation of Virginia. The New Jersey company is to acquire the lease agreement with the American Tobacco Company whereby the latter has the use of labels and brands, while the Delaware company will take over the remaining assets, consisting principally of controlling interest in the United Cigar Stores of America.

The assets of the Delaware company will consist of 3,964,310½ shares of United Cigar Stores Company common stock and the entire capital stock of the Tobacco Products Company of New Jersey, against which will be issued 3,296,652½ shares of Delaware company stock. The New Jersey company, in addition to the American Tobacco lease agreement, will also hold the entire capital stock of some subsidiary companies owning a reversionary interest in tobacco and cigarette brands.

Under the terms of the plan Class A stockholders in the old company receive for each share $10 of debentures of the New Jersey company; common stockholders receive for each share $4 of debentures of the New Jersey company and one share of the Delaware company. The New Jersey company is to issue $35,591,235 of 6½ per cent. collateral trust debentures, maturing November 1, 2022.

DRUG CHAIN EXECUTIVES SAIL

One hundred members of the Associated Chain Drug Stores sailed on February 4th, from New York, on the "Monarch of Bermuda" for a stay at the Hotel Bermudiana. During their convention in the islands a golf tournament will be played on the Riddell's Bay links, near Hamilton, Bermuda.

Among passengers on the cruise were Messrs. C. R. Walgreen, H. J. Moffat, F. J. Griffiths, A. C. Allen, D. C. Killer, of Cincinnati; Truman Currens of Norwich, Conn.; R. D. Keim of New York, and E. E. Dickinson, of Essex, Conn.

CONSOLIDATED CIGAR EARNINGS

The Consolidated Cigar Corporation and subsidiaries preliminary report for 1931 gives net profit of $2,122,000, after depreciation, Federal taxes, etc., equivalent after allowing for dividend requirements on subsidiary preferred stock, the 6½ prior preferred and the 7 per cent. preferred stocks, to $5.04 a share on 250,000 no par shares of common stock.

This compares with $2,372,535, or $5.86 a common share in 1930.

News from Congress

(Continued from Page 10)

partment declared in announcing the protest against the recent action of the French government.

Further indications of the spread of efforts to develop trade in certain areas by purchasing the goods of particular countries are seen in the reported agreement between England and Argentina, calling for the preferential treatment by each of the other's commodities. Adoption of this agreement would deprive the United States of its best South American market for a number of commodities and will likely be the subject of international diplomatic exchanges if put into effect.

New Postal Guide Aid to Direct Mail Advertisers

Tobacco dealers who do direct-to-consumer advertising will be materially aided by the proposed inclusion in the annual Postal Guide, published by the Post Office Department, of a list giving the number of letter boxes on rural routes of all post offices, now under consideration by officials of the department.

The printing of such a list, it is pointed out, would enable business houses which do direct advertising to reach the great rural population efficiently. Under the plan now being considered, it would be necessary for such concerns merely to prepare as many pieces of mail as there are boxes on a route, paying postage on each piece separately, as at present, but not being required to show a name and address thereon, and send them to the post office servicing the route.

At present the Postal Guide gives the number of rural routes at all post offices but does not show the number of patrons on such routes. Experiments with the new plan in Wisconsin are said to have been very successful. No extra cost was incurred by the post offices in handling the material, while industrial concerns which took advantage of the service reported excellent results.

If the plan is adopted, as now appears likely, this information will be compiled for the next Postal Guide, to be issued in July.

UNBRANDED TOBACCO BANNED IN CUBA

Acting on complaints of the larger cigar manufacturers in Havana, President Machado has issued a decree prohibiting the sale of cigars, cigarettes and smoking tobaccos which do not carry registered trade-marks. The decree becomes effective on February 19th and is expected to aid the larger manufacturers who are experiencing plenty of difficulties due to increased duties in foreign countries with a corresponding decrease in sales of Cuban tobacco products, and also a serious strike among the cigarmakers.

The Cuban Government is also beginning to feel the effects of the decreased sales as the tobacco industry is one of the heaviest contributors of revenue to the government.

The Trebow Cigar Company, manufacturer of "Mexican Commerce" and other brands, has placed a new five-cent cigar on the market which is designed to give the smoker the utmost value in a long filler cigar at five cents. The new brand carries the title "New Pleasure" and is a queen size.

PHIL M. PHULOFAX STRESSES THE PERSONAL TOUCH FOR THE RETAILER

HOW about using a little 'personal touch' in your business"?

This is the theme that runs through a message received by this magazine from Phil M. Phulofax, D. B. I., the widely known counsellor to cigar retailers on sales practices. Mr. Phulofax, whose association with Bayuk Cigars, Inc., has given him the background of knowledge that enables him to speak authoritatively and whose views are expressed regularly in the advertising columns of this publication, has the following to say in his most recent communication:

"I'm addressing myself to all cigar retailers when I ask this question about the 'personal touch.' For it's every bit as applicable to the fellow who has a little hole in the wall as it is to the big dealer whose store is one of these 'Tobacco Shoppe' places—much plate glass and fancy fixin's.

"Of course you're all in business first of all to sell cigars. But there are more ways than one of doing it. The fellow who grumpily shoves out a box of the brand you've asked for and takes your hard-earned coin with a grunt is one sort of a store attendant. The fellow who takes your order with a smile and an air that he's pleased and happy to get for you just what you want is another sort and he *is* a salesman. He's the one that's likely to get your repeat business. He's given you something beside a cigar. A customer goes into his store expecting recognition and a cheery smile and is not disappointed when he comes out. It's that something I mean by the 'personal touch'—a bit of his own pleasing personality that puts you in a good humor and makes you disposed, in return, to please him by giving him your regular business.

"My business takes me into a lot of stores all over the country. In my home town, and my little neighborhood community, I buy a good many more cigars than the average man, for it's part of my business. And I like to try out the sales ideas of all the retailers in my own community.

"But I don't mind saying there are some stores I go into with a bit of a groan just because they are convenient. But usually I buy my cigars where I begin to wear a pleasant smile even before I get inside the door.

"The nearest store to where I live is kept by—well, we'll call him 'Grouch.' He sells cigars—and not another blessed thing. Not a bit of neighborliness, nor of the pleased-to-be of service attitude. Nothing but cigars—with frequent grousing about how bad business is thrown in on the side.

"Then there's Bill Smiles, who has a store three blocks from the house. Even when I'm in a hurry, those three blocks make a pleasant brisk walk. For Bill is always cheery, interested in what I have to say about the day's news, and I'm just as interested in him, in how his kid's getting along in school, and in how his business is as if I had a part interest in it. As, to tell the truth, I have—meaning an interest in how it, and Bill, are doing. Bill, you see, sells more than cigars. He sells a bit of his own nice, friendly personality.

"Bill doesn't make the mistake, either, of trying to oversell his cigars or himself, but I don't mind saying I sometimes buy a bit more than I had intended to, just because I know I please Bill when I do it.

"I know it's not a regulation item on an inventory, but believe me, that item of 'Personal Touch' or 'Personality' or whatever other name you want to give it, is one of the most important items you cigar retailers should consider when you take account of your stock in trade. Check up on it frequently because you can take it from me, it pays cash dividends on every sale you make."

HARMONY IN SIGHT AT LORILLARD MEETING

LAST WEEK it was announced that harmony in the annual shareholders' meeting of the P. Lorillard Company at Jersey City, on March 8th, seemed assured as the result of an amicable adjustment of differences between the management and a minority group of stockholders.

The minority group is expected to get representation on the board through election of two new directors.

A proposed change in the company's bonus policy and the management's plan for sale of stock to employees, which aroused opposition of the minority group, will not be brought before the annual meeting but may be settled later in a special stockholders' meeting.

The management dropped its fight, for the time being at least, for adoption of a revised bonus plan and sale of stock to employees at $10 a share last December after a court ruling restraining a vote on the proposals at the 1931 stockholders' meeting. The 1931 meeting was postponed from time to time awaiting the court decision.

Whether the management will resume its fight for adoption of its proposals as they stood last year or in revised form or will drop the matter entirely has not been decided, as far as could be learned.

Scott & Stringfellow, of Richmond, Va., attorneys representing the minority group in a letter to shareholders, announced they were "pleased to report that our differences with the management have been amicably adjusted."

"At the 1932 meeting," the letter continues, "The management will propose Jacqueline P. Taylor, of Richmond, and William Steele Gray, vice-president of the Central Hanover Bank and Trust Company, of New York, as directors of the company along with the other directors."

Election of directors is the only matter scheduled to come before the annual meeting.

"WHY WORRY?"

"Why Worry?" is the title of a small card distributed by the Mazer-Cressman Cigar Company of Detroit, manufacturers of "Manuel" cigars.

This little card proves to the satisfaction of nearly everyone that there is no sense or excuse for worrying at all. It reads:

"I wonder why folks worry. There are only *two reasons* for worry!

"Either you are successful or you are not successful. If you are successful there is nothing to worry about; if you are not successful there are only *two things* to worry about. Your health is either good or you're sick. If your health is good there is nothing to worry about; if you are sick there are only *two things* to worry about. You are either going to get well or you are going to die; if you are going to get well there is nothing to worry about; if you are going to die there are only *two things* to worry about. You are either going to heaven or you are not going to heaven; and if you are going to heaven there is nothing to worry about; if you are going to the other place you'll be so damn busy shaking hands with old friends you won't have time to worry—so why WORRY?"

A supply of these cards for distribution among smokers will be sent to dealers on request by the manufacturer.

SOLACE OF TOBACCO

HOLDERS of tobacco stocks are finding in the 1931 reports of the principal manufacturers a solace akin to that which the weed itself is believed to exercise upon its users. The prosperity of the industry is one of the few bright spots in the financial panorama of 1931. It may be that troubled minds here and there turned to tobacco in its various forms more extensively during the depression period. It is more strongly indicated, however, that the undaunted and undiminished program of advertising and merchandising carried out by the leading companies was the chief force preventing a slump in the industry. The 1931 report of P. Lorillard Company, one of the "Big Four" cigarette manufacturers, emphasizes that the tobacco men not only escaped the depression but actually achieved greater prosperity last year. The company's net income of $4,846,373, or $2.12 a common share was $1,200,000 larger than the $3,614,363, or $1.47 a share, in 1930, and was nearly double common stock dividend requirements. Surplus was increased more than $3,000,000 to a total of $19,585,157, and on December 31 the company had cash of $13,812,652, exclusive of an amount sufficient to retire the entire outstanding 5½ per cent. bonds. These bonds, totaling $13,758,000, were called on January 1 this year, reducing funded debt to $19,921,150.

The report of the United States Tobacco Company brought another company in this industry into the honorary line-up of concerns reporting higher earnings for 1931. Wall Street believes the tobacco companies have been lucky in this depression because they have been developing a much wider market for their product in the form of new woman smokers. This is a plausible argument but it does not hold in the case of the American Snuff Company, which recently reported higher earnings along with the tobacco companies. There has not been a sudden popularization of snuff using among women, or if there has it has been kept secret.

TOBACCO ESCAPES INCREASED DUTY

When the Chancellor of the Exchequer, Neville Chamberlain, in the London House of Commons on February 4th announced new tariff schedules on imports, which entailed a 10 per cent. increase in duty, experts on this side of the Atlantic were wary of estimating the effect on this country.

However, the total of British imports from the United States in 1930 was worth in round numbers, about $765,000,000, and, of that, about $195,000,000 was then dutiable under the tobacco tax, the McKenna duties and other imposts. These imports sustain no further tax under the present measures, and in addition to these there are about $185,000,000 worth of imports such as meat, wheat and cotton which are still exempted.

"TARGET" PAPERS A HIT

Brown & Williamson Tobacco Corporation, Louisville, Kentucky, are rapidly obtaining 100 per cent. distribution on their five-cent books of genuine "Target" gummed cigarette papers. Dealers are commenting regarding the attractive display cartons, and a lot of stores are putting them on their counters and report a "sure fire seller."

CITY HALL STAND OFF FREE LIST

QUITE a jolt was handed Morris Wattenmaker, who operates the cigar and newsstand on the first floor of the City Hall Annex, last week, when Director Caven, of the Public Works Department, announced he was opposed to "giving away" space in public buildings, and said he would ask for bids for the space occupied by the stand on February 16th.

Wattenmaker, a protege of the Twenty-fourth Ward committeeman and Clerk of Quarter Sessions Court, has used the space rent free since City Hall Annex has been in use. He began business in the last years of the Kendrick administration and continued throughout Mayor Mackey's term.

"I have been advised of the action of Director Caven and when the time comes I shall submit a bid," said Wattenmaker. "There is not much profit in the place because of the number of stores in the neighborhood, but I shall make a bid and try to retain it."

When asked whether he had used political influence to get the stand rent free, Mr. Wattenmaker smiled and replied: "Well, you can use your own judgment."

Charles P. McDermott, chief clerk of the Bureau of City Property, which has the care of public buildings, explained that previous administrations questioned the right to collect rent on property "dedicated to the use of the public."

1931 TOBACCO ADVERTISING GAINS

Expenditures by the tobacco industry for advertising in national magazines and national farm magazines amounted to $555,832 in January, a gain of 3.4 per cent. over the total of $537,429 for January, 1931. National magazines showed a slight recession of 0.6 per cent. from $515,729 to $512,682, but a striking gain of 98.8 per cent. in the farm magazine classification, from $21,700 to $43,150, served successfully to wipe out this loss, according to the Business Survey Department of Dorrance, Sullivan & Company, New York advertising agency.

$393,039, or 76.7 per cent. of the total for national magazines, went for cigarettes; $115,179, or 22.5 per cent. went for manufactured tobacco and smokers' supplies; and $4464, or 0.8 per cent., went for cigars.

If it had not been for a gain of 158.7 per cent. in radio broadcast advertising by the tobacco industry over national networks (an increase of $3,295,003 from $2,076,114 to $5,371,117) the composite total for national magazines, farm magazines and radio would have shown a slight recession for the year 1931. As it was, however, the total was $12,147,211, an increase of 35.3 per cent. over the full year of 1930. During December the expenditure for radio was $611,310, a gain of 181.4 per cent. over the figure of $217,280 for the same month a year ago.

"SIR WALTER RALEIGH" POPULAR

"Sir Walter Raleigh" smoking tobacco is enjoying a great demand in colleges. Apparently the rising generation likes Sir Walter's favorite blend. It looks as if economics and political history are made easier when digested under the soothing aroma of "Sir Walter Raleigh."

SIR HUGO OWEN EXPECTED

Sir Hugo Cunliffe Owen, of London, is expected to pay his annual visit to this country during February.

WARS INCREASE SMOKING HABIT

EVERY great war has been followed by an enormous increase in the smoking habit, according to a famous historian of smoking, whose "*History of Smoking*" has just been published in English.

The Thirty Years' war spread smoking all over Europe, with the result that smoking was soon universally adopted throughout the world. The Napoleonic campaigns brought the cigar into popular prominence. The Crimean War in the 50's helped to further the popularity of the cigarette at that time just as the World War stimulated the demand for tobacco everywhere.

Since the last war the most important factor in developing tobacco popularity has been the revolution in the manufacture of tobacco products to make them sanitary. To meet the new standard of absolute cleanliness, one popular American five-cent cigar is now the only cigar in the world finished under glass.

The important part that smoking played in the last war is corroborated by one of General Pershing's cables to Washington—"Tobacco is as indispensable as the daily ration. We must have thousands of tons of it without delay."

IMPERIAL TOBACCO EARNINGS

The Imperial Tobacco Company of Great Britain and Ireland, Ltd., reports for the year ended October 31, 1931, net income, after all charges, of £9,376,063, against £9,677,045 in the preceding year.

Last week directors of the Imperial Tobacco Company declared a final dividend of 8 per cent. on the ordinary registered shares for 1931, free of tax, and an extra dividend of 1s 6d, also a final dividend for the year 1931 free of tax. Both distributions are payable in 1932.

As of October 31, 1931, the Imperial shows total assets of £78,162,109, comparing with £77,864,010 on October 31, 1930. Cash, government and other securities amounted to £16,019,284, against £14,668,310, and profit and loss surplus was £7,516,015, as compared with £7,802,926 on October 31, 1930.

CUBAN STRIKE STILL UNSETTLED

According to reports, little progress has been made in the strike of 15,000 cigarmakers in Cuba toward a settlement of the differences between the manufacturers and the strikers.

The strike was the outcome of an effort on the part of the manufacturers to induce the workers to accept a reduction in wages due to economic conditions in the industry at this time.

The manufacturers are marking time and claim they have sufficient finished cigars on hand to meet six months' requirements under present conditions.

HARVEY TO REPRESENT ESCALANTE

Ernest W. Harvey, well-known cigar salesman, has joined the sales force of Jose Escalante and Company and will represent that firm in New York City on their "Corina" cigar and other brands.

Mr. Harvey has had a wide experience in the cigar industry and "Corina" sales may well be expected to show an increase in his territory.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

SOUND SALES EFFORTS ESSENTIAL TODAY

INTELLIGENT, energetic sales efforts are even more essential when orders are hard to get than when they may be had for the taking, according to Vincent Riggio, vice-president of The American Tobacco Company, who has just completed a tour of the country with F. V. Riggio, general sales manager, in the interests of "Lucky Strike" cigarettes and "Cremo" cigars. In accordance with this principle of continuing its sales activities without interruption, The American Tobacco Company has maintained both its full force of salesmen and its advertising efforts. On his tour of the country, Mr. Riggio held meetings of the company's sales organizations in Seattle, Los Angeles, Kansas City, Indianapolis, Atlanta and New York City. As in the past, the company is striving for the best possible co-ordination of its sales activities. The results of sustained newspaper advertising and sound, aggressive selling by salesmen trained in the policies of their company show up as clearly today, Mr. Riggio observes, as at any time since the World War.

ALBERT FREEMAN ILL

The many friends of Albert Freeman, of S. J. Freeman & Sons, are much concerned at the news that he is seriously ill from a severe attack of pneumonia, and are wishing him a speedy recovery.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

SEM-I-CUT:—45,981. For smoking tobacco. January 26, 1932. H. Sutliff Pipe Shop, San Francisco, Calif.

TRANSFERS

VESTA:—126,126 (U. S. Patent Office). For cigars, cheroots, stogies, little cigars and all tobacco cigarettes. Registered July 29, 1919, by Walter Arnheim, Pittsburgh, Pa. Through mesne transfers acquired by S. Frieder & Sons Co., Cincinnati, Ohio, and re-transferred to Louis K. Liggett Co., New York, N. Y., December 4, 1931.

NUVANA:—26,433 (Tobacco Leaf), on November 14, 1903, and **27,870** (U. S. T. J.), on November 17, 1903. For cigars, cigarettes and tobacco. Registered by American Litho. Co., New York, N. Y. Through mesne transfers acquired by D. Emil Klein Co., New York, N. Y., and re-transferred to Moss & Lowenhaupt Cigar Co., St. Louis, Mo., January 29, 1932.

ST. REGIS:—6,645 (Trade-Mark Record). Registered February 21, 1890, for cigars, cigarettes and tobacco, by Thurber, Whyland Co., New York, N. Y., and in Connorton's Tobacco Brand Directory in 1903, by Jacob Stahl, Jr., & Co., for smoking tobacco, cigarettes, cheroots and cigarros; also **27,363** (Trade-Mark Record), registered October 17, 1902, for cigars, cigarettes and tobacco, by Jacob Stahl, Jr., & Co., New York, N. Y. Through mesne transfers acquired by Martinez Havana Co., New York, N. Y., and re-transferred to Continental Cigar Corp., Scranton, Pa., February 1, 1932.

HAINES OUT FOR RE-ELECTION

CONGRESSMAN Harry L. Haines, of Red Lion, Pa., and head of H. L. Haines & Company, cigar manufacturers, of the same city, has announced his intentions of running for re-election from his district this year.

After some weeks of indecision, Congressman Haines decided to circulate petitions for the Democratic renomination.

"In view of the many requests that I be a candidate," he said, "I have decided to do so. I feel I have started some work in Congress that I want to finish."

Congressman Haines has now before Congress at Washington, a bill to permit the packing of cigars in boxes of sixty. At the present time the law does not permit packages holding any number of cigars between fifty and one hundred, and many manufacturers in the York County district believe it would be to their advantage if they were permitted to pack cigars in packages containing sixty cigars.

Haines has been undecided whether he could continue to leave his business interests at home to others. As a Congressman he believes he should stay in Washington during sessions of Congress.

T. E. Brooks, president of the York County Cigar Manufacturers' Association, has made it known that under no circumstances will he enter the primary battle and thus possibly handicap the candidacy of his fellow townsman and friend.

The Haines campaign was formally launched at a meeting in York, on Saturday, February 13th.

CUBAN TOBACCO INDUSTRY DEPRESSED

REPORT from Acting Commercial Attache Albert F. Nufer, Havana, states the demand for Cuban leaf tobacco showed an improvement during January as a result of increased purchases by American importers. On the other hand, cigar exports showed a seasonal decline, which has been accentuated this year by the drop in sterling exchange. Advance reports on the crop now under cultivation appear to confirm the opinion that production will be considerably below last year, mainly due to decreased planting. In addition, the crop, in some regions where there is no irrigation, has been adversely affected by drought.

Exports of leaf tobacco dropped from 5,805,934 pounds in December, 1930, to 2,435,394 pounds during December, 1931, while shipments of cigars decreased from 3,779,101 in December, 1930, to 3,339,228 in December, 1931. On the other hand, exports of cigarettes in December, 1931, showed an increase, amounting to 7,774,641, as compared with 6,115,906 in the same month of 1930. The value of Cuban exports of tobacco and tobacco products in 1931 totaled $22,847,120, as compared with $33,540,575 in 1930. The heavy drop in both quantity and value of 1931 Cuban exports of these products is mainly attributable to the decreased demand resulting from unsatisfactory economic conditions, and to the unfavorable exchange rates existing in a number of Cuba's markets.

Habana bank clearings during the three weeks ended January 16th amounted to $18,127,609, as against $33,323,252 during the same period of 1931. The total collections reported by the Habana branches of the six leading banks for the month of December showed items received as $3,638,315, items paid as $2,940,615, and items returned unpaid as $625,013, as compared with total items received of $5,180,935, items paid of $4,537,532, and items returned unpaid (five banks only) of $715,147, during December, 1930.

EXTRA FOR SCOTTEN DILLON

Scotten Dillon Company directors have declared an extra dividend of twenty cents, and the regular quarterly dividend of thirty cents, on the shares of the company. Both dividends are payable February 15th to stockholders of record February 6th. In the two previous quarters extras of ten cents were paid.

At the annual meeting of stockholders all officers and directors of the company were re-elected.

UNITED TO CHANGE STOCK

The New York City Stock Exchange has received notice from the United Cigar Stores Company of America of proposed change in authorized common stock from 6,000,000 shares of no par value into 6,000,000 shares par value $1 per share, each present share to be exchanged for one new share.

UNION TOBACCO PROFIT UP

The Union Tobacco Company shows net profit for 1931, after expenses, taxes and interest of $59,330, equivalent to $1.48 a share on 40,000 shares of 7 per cent. preferred stock, comparing with loss of $8716 in 1930. Surplus for the year, after profit and loss credits, was $61,195, while in 1930, on the same basis, the deficit was $126,409.

MARCH 1, 1932

VOLUME 52 No. 5

THE TOBACCO WORLD

Make Your Good Cigars Better By Packing Them In Wooden Boxes

When thirst attacks the athlete in his gruelling endeavors, the fever-racked patient in the home or hospital, or the wounded soldier on the battlefield, the cry is for "water"—Nature's unimitated and assuaging potion throughout the ages.

And the newly made cigar, temporarily ill from the casing and blending processes, cries for relief. Again Nature answers the call with a natural product—the wooden cigar box. Its porous character not only enables the cigar to breathe and rid itself of excessive moisture and any impurities, but at the same time to ripen and give the smoker the utmost in cigar satisfaction.

The new **AUTOKRAFT** wooden cigar box meets all the requirements of the cigar manufacturer for a dependable natural wood container for his brands. Equally important is the fact that although only thoroughly tested materials which must meet definite quality standards, are used, the new **AUTOKRAFT** package satisfies the demand for a better cigar box at a lower cost.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

WOODEN BOXES
Increased the Sale of
KING BEE CIGARS

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

TELEPHONE WEST 0217-0218-0219

WENGLER & MANDELL, INC.
MANUFACTURERS OF
TOM PALMER
WORLD'S GREATEST CIGAR

GENERAL OFFICES
1946-1950 W. MADISON ST.
CHICAGO, ILL.

FACTORY
TAMPA, FLORIDA

ADDRESS ALL COMMUNICATIONS TO GENERAL OFFICES

January 19, 1932.

Mr. E. M. Henofer, President,
Wooden Cigar Box Boosters Club,
216 Seaside Avenue,
Atlantic City, N.J.

Dear Sir:

In reply to your inquiry regarding the success we are having with our 5¢ KING BEE Cigar in wooden boxes, I would say that within my memory we have never offered a new package that received as spontaneous and enthusiastic reception as this one.

We have over five thousand KING BEE dealers in the City of Chicago. Many of these dealers are telling us daily how pleased they are with the new KING BEE wooden box. They are telling us how this box has helped sell more KING BEE Cigars to smokers.

The high praise for the wooden box on our part and on the part of our dealers is justified by a very substantial increase in the sale of KING BEE Cigars since they have been packed in wooden boxes.

Very truly yours,

WENGLER & MANDELL, INC.

Ralph R. Graham,
DGS

By Ralph R. Graham
President.

Volume 52

THE TOBACCO WORLD

Number 5

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
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$2.00 a Year — PHILADELPHIA, MARCH 1, 1932 — Foreign $3.50

EDITORIAL COMMENT

IF WE were "banking" the opinions of newspaper editors, magazine editors and columnists of the country we would fear more the bet of Jay House of the *Public Ledger* than that of any other writer. His observations and predictions of human reactions run almost as true to form as a *Literary Digest* poll.

He remarked the other day, if we concentrated correctly, that when the public started to jump the fence they began to crowd each other in their endeavors to get over.

All of which is merely a lead to our own pet subject of the whys and wherefores of the decline in cigar smoking.

When the non-porous cellulose covering for cigars first made its appearance, the cigar industry was doing fairly well. It has planted a definite burden on cigar costs which has gradually been worked out at the expense of the cigar itself, and the public "jumped the fence" when the entire cigar manufacturing industry rushed in to imitate the latest fad in cigar packing.

The cigar manufacturers seem to be divided into two classes. Those companies which have sustained satisfactory earnings through national advertising and unusual contortions in the manufacturing and purchasing departments, let it be known, for public consumption at least, that the greatest cigar values of all time are to be found under the cellulose covering. As a matter of fact the paid publicity for cigars has generally featured the lucid wrapper as much as it has the cigar itself.

The other class of cigar manufacturers are those who know and oppose the use of the transparent covering but who must "follow the leader" to maintain their markets.

And yet we are confident that the real expert cigar manufacturer knows in his own heart that his product thus wrapped is inferior to the brand in its natural wrapper in a wooden box.

These times have brought us many inquiries regarding the purchase of "factory seconds." We have been somewhat amused in talking with executives of several companies to find that they are consumed almost entirely by employees. (We are not referring to companies that market their "seconds" regularly under a brand name.)

The men with whom we talked have been in the cigar business for periods of from twenty to thirty years, and our amusment was due to the fact that they stated frankly that they preferred the "seconds" because they tasted and smoked better due to the fact that they had not been covered with the cellulose wrapper!

And yet the cigar manufacturing industry as a whole refuses to recognize the fact that there is a valuable percentage of smokers who share these same views.

It is to be admitted that the larger corporations have found ways and means to reduce the cost of the transparent covering to a minimum, but certainly to no advantage to the smoking quality of their brands.

In twenty years we have not seen so many miserable wrappers on cigars, and not apparent to the eye when dazzled by the glittering cellulose. The cheaper grades of some clear Havana brands are being sold with wrappers that are but little thicker than cigarette paper, if that is a fair comparison for a degree of thinness, and unless these cigars are still soggy the breakage with the lucid covering is just about as great as it would be without it.

If the public knew the facts they would run away from the transparent covering as fast as they ran to it. It is a state of mind created by advertising, and so obviously an added expense that neither increases sales nor improves cigar quality that we wonder that the public ever caught up with Ponzi.

While it is true that some of the cigar companies have made exceptional showings in both sales and earnings, considering the times, the cigar withdrawal figures leave no room for doubt that the industry as a whole is drifting out to sea. And by all known methods of analysis the larger companies must eventually be caught in the undertow unless the tide changes.

The figures covering cigar withdrawals for months of January from 1920 to 1932, inclusive, are interesting.

Cigar Withdrawals for Months of January.

1920	663,634,243	1927	466,078,254
1921	462,798,039	1928	413,531,675
1922	443,260,802	1929	427,715,807
1923	559,183,386	1930	418,900,080
1924	504,023,809	1931	362,939,318
1925	474,803,054	1932	342,923,509
1926	433,672,942		

It is our conviction after ten months of investigation that the cigar manufacturing industry knows less about the proper packaging of their product than any

(Continued on page 15)

PHILADELPHIA.

FRINGS BROTHERS DISTRIBUTE "LA PALINA"

EFFECTIVE February 15th, distribution of "La Palina" cigars was taken over by Frings Brothers Company, well-known West Philadelphia distributor.

Frings Brothers Company maintain a selling force of seventeen able men who will cover Eastern Pennsylvania as far north as Easton, Delaware south to Wilmington, and Southern New Jersey, except Atlantic City, on "La Palinas." "La Palinas" are distributed in Atlantic City by Dusel, Goodloe & Company.

Harold Christian, former manager of the Congress Cigar Company jobbing branch here, becomes factory representative, and will continue to work in this territory through Frings Brothers Company. Alexander Jacobson, Congress Cigar Company factory man, will also continue in that capacity with Frings Brothers Company.

"La Palinas" made substantial gains here during the month of January, and prospects are bright for further advances under the direction of Frings Brothers Company.

MARTIN HENRY DEAD

S. Martin Henry, widely known in the cigar and cigar box industry, passed away in Jefferson Hospital on Friday, February 12, following an operation for gallstones. He was sixty years old.

Services were held on Monday, February 15, in the Oliver Bair Chapel, 1820 Chestnut Street, this city. Interment was in North Cedar Hill Cemetery.

At the time of his death Mr. Henry was in charge of production in the fancy and small cabinet department of the Henry H. Sheip Manufacturing Company.

He had a long experience with the cigar industry and at one time was associated with the old firm of Theobold & Oppenheim, and later with the General Cigar Company.

For several years he represented the American Label Company.

CONGRESS CIGAR COMPANY REPORT

The Congress Cigar Company, Inc., reports net profit of $273,139 for the year 1931, after all charges except write-down of tobacco inventories, etc., amounting to $974,628 charged to surplus, and compares with net income of $1,652,246 in the preceding year.

MORRIS ZIFFERBLATT IN HAVANA

MORRIS ZIFFERBLATT, father of George Zifferblatt, of George Zifferblatt & Company, manufacturers of the "Habanello" cigar, sailed for Cuba last Wednesday, where he will look over the leaf tobacco contracted for for the "Habanello" brand, and also become acquainted with the tobacco situation and the men connected with the industry in that country. He was accompanied by Mrs. Zifferblatt.

Gus Lauber, of the Zifferblatt Company, is working with Tinkham Brothers, Jamestown, N. Y., distributors of the "Habanello" brand, and showing splendid results in placements of the brand.

Tinkham Brothers have recently taken over the jobbing branch of the Snyder Cigar Company at 14 Monroe Street, Buffalo, N. Y.

David Safier, of Safier, Inc., Cleveland distributors of the "Habanello," was a visitor at the "Habanello" factory last week.

BAYUK SALES FORCE ACTIVE

F. L. Brumsey, member of the sales force of Bayuk Cigars, Inc., has been assisting the Hoffman Cigar Company, Norfolk, Va., in promoting Bayuk's "Havana Ribbon" in that territory with good results.

J. H. Wagoner has been in Waco, Texas, working through the Hubby-Reese Company, and showing splendid results in increased placements on Bayuk "It's Ripe Tobacco" cigars.

The Pete Humphries Company, in Paris, Texas, has taken on the distribution of Bayuk cigars and will inaugurate an aggressive sales campaign on their brands.

SCHULTE CLAIMS $400,000 FROM CITY

A claim by A. Schulte, Inc., cigar store chain, for $400,000 damages against the City of Philadelphia, was outlined on February 15th to a jury and Judge McDevitt in Common Pleas Court No. 1.

The corporation, through its attorneys, Bertram G. Frazier and Roy M. Livingstone, estimates that figure as its loss because of the taking of an eighteen-foot strip from the east side of Fifteenth Street at South Penn Square, causing the loss of a store property and three adjoining properties which the Schulte Company leased for thirty years beginning May 29, 1919.

Copr. 1932, The American Tobacco Co.

"I play safe by sticking to LUCKIES"

OH, WHAT A GAL IS MARY!

She's one of the genuine beauties that even the camera cannot flatter. Sorrow and professional bad luck followed her for years. Now she's a bride... the studios clamor for her... the public loves her... and the Hollywood sun is shining. Her new RADIO PICTURE is "MEN OF CHANCE"... Here's to you, Mary Astor! We're glad you smoke LUCKIES and we're grateful for that statement you gave us without a cent of payment.

"I can't afford to take chances with my voice. So I play safe by sticking to LUCKIES—they're always kind to my throat. And I'm doubly grateful for your improved Cellophane wrapper which opens so easily with that clever little tab."

Mary Astor

"It's toasted"

Your Throat Protection—against irritation—against cough

And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N. B. C. networks.

Trade Notes

The "Royalist" cigar, manufactured by Grabosky Brothers, Inc., North Second Street, is showing a good demand in the territories where it has been placed, and prospects are good for an expansion in sales during the current year.

Louis Halpern has opened a cigar store and manufacturing business on South Fourth Street, adjoining the Bourse Building, where he is manufacturing the "Lincoln" cigar. The cigar is an all-Havana filled brand and packed in attractive boite nature packages.

"Philosopher" smoking tobacco, an old favorite among confirmed pipe smokers who know good tobaccos, is enjoying a fine demand throughout the country. John Wagner & Sons, Dock Street, distributors, are exclusive agents for this brand in the United States.

Ben Lumley, "Carl Upmann" and "Garcia & Vega" representative, is at the present time on a trip through Eastern Pennsylvania and New York State in the interest of his brands.

The "Carl Upmann" and "Garcia & Vega" brands have been showing substantial increases in sales here under the direction of John Wagner & Sons, distributors.

Effective February 15th, Yahn & McDonnell, 617 Chestnut Street, have taken over the distribution of the "El Toro" cigar in this territory. The "El Toro" was formerly distributed here through the Congress Cigar Company jobbing branch, and has been making good headway. A substantial increase in distribution may be expected under the direction of Yahn & McDonnell with their able organization.

James Heaney, American Cigar Company representative, was in town last week, attending the convention of the National Association of Club Managers, held at the Hotel Warwick. Mr. Heaney was in charge of a wonderful exhibit of American Cigar Company brands at the hotel during the convention.

"Antonio y Cleopatra" cigars have been showing a fine demand here under the direction of Yahn & McDonnell.

The National Association of Club Managers held their annual convention last week at the Warwick Hotel, with a splendid attendance from all parts of the country.

Business vital to the association was discussed during the day and ample, and excellent, entertainment was provided for the guests during the evenings. The convention ended on Saturday with a banquet served at the Penn Athletic Club.

Among those in attendance were Joe Back, Frank Fallon, of "Partagas" and "Medalist" fame; Joe Wolfe, Fred Suss, of S. H. Furgatch, and Mr. Heaney, of the American Cigar Company.

Next year's meeting will be held in Chicago.

AMERICAN CIGAR TO VOTE ON LEASE TO TOBACCO COMPANY

DOW, JONES & COMPANY, New York, on Thursday announced that the American Tobacco Company had reached an agreement with the committee representing the minority stockholders of the American Cigar Company, which will result in transforming the latter into a holding company and assure it an annual income after preferred dividends of about $11 a share on the common stock.

American Cigar Company stockholders will vote on March 15th on a plan for transferring most of the company's business to the American Tobacco Company. Certain of its assets will be sold to the American Tobacco Company and other assets will be leased to the same company.

It is proposed that the cigar company shall receive for its assets to be sold the assumption or cancellation of certain liabilities and the delivery to it of 70,500 share of common stock and 129,500 shares of common "B" stock of the American Tobacco Company, making a total of 200,000 shares of common and Class B stock. At present prices of $78.32 a share, the stock represents approximately the net book value of the assets to be sold, after deduction of liabilities to be assumed or cancelled.

For the assets leased the cigar company will receive $1,800,000 a year for 99 years beginning January 1, 1932.

The assets to be retained by the cigar company will have a book value of $6,330,000 subject to liabilities of only $159,000. These consist largely of investments, notes receivable and cash.

About 95 per cent. of the common and preferred stock of the American Cigar Company are owned by the American Tobacco Company. Several months ago the American Tobacco Company offered minority stockholders of the cigar company $80 a share for their common stock and $100 a share for the preferred. Following this, a committee representing the minority stockholders' interests was formed to make a detailed inquiry into the proposed deal.

Mr. Segal, of A. Segal & Sons, was a visitor at John Wagner & Sons, Dock Street, distributors, last week.

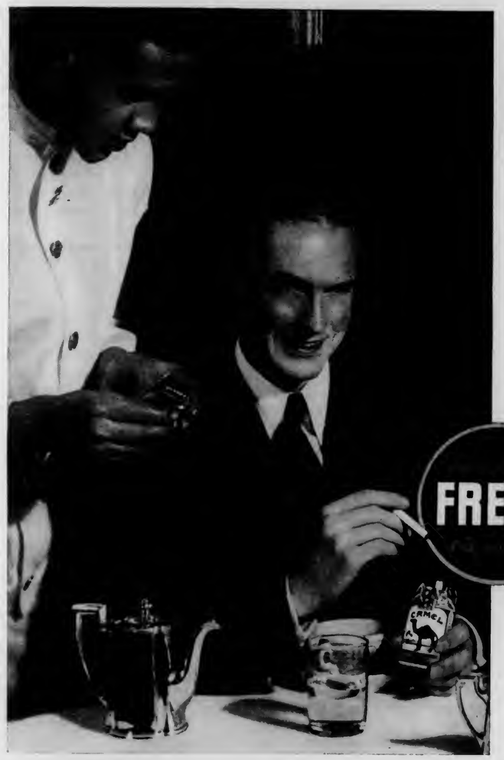
The Penlo Cigar Company, Philadelphia, has appointed the Roden-Clements Company, advertising agency of this city, to direct its advertising account.

Mr. Rendell, of the Condossis Tobacco Corporation, was in town last week visiting the trade in company with James Clark, "Condossis" representative for this territory.

Friends of Willis Andruss, former sales manager of the Congress Cigar Company, are receiving postcards from him stating that he is in St. Petersburg, Fla., enjoying plenty of golf and having a good time.

Yahn & McDonnell have been added to the list of "Condossis" cigarette distributors for this territory and the brand is meeting with a splendid demand. The "Condossis" brand is manufactured in three different blends, and the packaging is particularly attractive.

"Yes sir, Camels are always FRESH!"



WHEN you call for Camels you get fresh cigarettes — cigarettes that are *made* fresh, then *kept* fresh. No matter where you chance to be — on a railway diner, at a crossroads store, on the desert or by the sea, the Camel Humidor Pack keeps germs, dirt and weather out and holds the precious, natural moisture in.

Awaiting your enjoyment is all the original delight of choice Turkish and mild, sun-ripened Domestic tobaccos expertly blended into the coolest, mildest cigarette you ever touched match to.

With each puff you get the pure, unalloyed fragrance and joy of rare tobaccos, unimpaired by excessive heat. For Camels are never parched or toasted. The Reynolds method of scientifically applying heat guarantees against that.

If you haven't tried Camels lately, switch over to this brand for just one day. After you've known their mildness; after you've compared their smooth, throat-easy manners with the harsh, hot, stale smoke of parched-dry cigarettes, then leave them — if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time

CAMELS

***Made* FRESH — *Kept* FRESH**

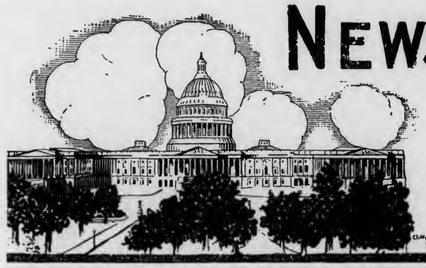
"Are you Listenin'?"
R. J. REYNOLDS TOBACCO COMPANY'S
COAST-TO-COAST RADIO PROGRAMS

CAMEL QUARTER HOUR
Morton Downey, Tony Wons, and Camel Orchestra, direction Jacques Renard, every night except Sunday, Columbia Broadcasting System

PRINCE ALBERT QUARTER HOUR
Alice Joy, "Old Hunch," and Prince Albert Orchestra, every night except Sunday, National Broadcasting Company Red Network

See radio page of local newspaper for time

© 1932, R. J. Reynolds Tobacco Company



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DISCONTINUANCE by the Federal Trade Commission of practically all its important investigations, including the study of chain store operations, threatens as a result of the Administration's economy plan, under which its appropriation for the coming fiscal year will be sharply cut.

Estimates by the commission of its money needs for the coming year called for $1,626,000. Nearly $400,000, however, was lopped off by the budget bureau, which recommended an appropriation of $1,236,000, and there are possibilities of further cuts by the House Appropriations Committee, now engaged in writing the money bill for the Commission and other independent offices.

Every appropriation bill thus far reported to the House of Representatives by the committee has been reduced under the budget estimates, so that a further cut in the Commission's fund is reasonably to be expected. In no instance has the committee allowed more for any Government activity than suggested by the budget bureau, turning a deaf ear to all pleas that unless additional funds were provided essential work must be abandoned or curtailed.

Under the budget estimates, a reduction of about 35 per cent. in the personnel of the Commission will be required, necessitating the dismissal of some 185 of the 528 persons now employed, it is declared. It will also be necessary to abandon practically everything except the regulatory work to carry on which the Commission was originally created.

The chain store investigation has been in progress since 1929, and a number of preliminary survey reports have been issued; a great deal of work remains to be done, however, before the Commission will be in a position to draw any definite conclusions as to the desirability of legislation to deal with the subject.

Manufacturers' Sales Tax May Be Imposed

Imposition of a manufacturers' sales tax will be one of the major features of the revenue bill which in a few days will be reported to the House of Representatives by the Ways and Means Committee, it is indicated in statements by committee leaders.

Unable to raise the one and one-quarter billion dollars necessary to balance the budget, through the medium of increased individual and corporation income tax rates and the imposition of excise taxes on a small number of commodities and services, members of the committee for some days have slowly been developing the plan for a general manufacturers' sale tax to be in the form of a license tax based on gross sales, through which some $600,000,000 of revenue is expected to be raised.

Already taxed by the Government at high rates, it is the general opinion that tobacco and its products will be exempted from application of the manufacturers' tax because of the double-taxation feature, but whether it will be possible to eliminate the increase in cigarette and tobacco taxes recommended by the Treasury Department is not yet entirely clear although it is generally believed this will be done.

Faced with the threat that increased taxes would return no added revenue because of the falling off in business which would follow their application, the committee now appears to be ready to depend upon the general sales tax as the backbone of the bill. The increase in tobacco taxes, it was said during hearings, would restrict sales to such an extent that the Government might find itself receiving even less revenue than at present. The same was said regarding admissions taxes and other special levies proposed by the Administration.

Buy "Home Products" Campaign Being Considered

With export trade at a low level, due to world depression and rapidly rising tariff barriers abroad, leaders in American industry are giving consideration to the inauguration of a "trade in home products" campaign, similar to that which for several years has been waged in England with the slogan "Buy British".

Publication by the Department of Commerce of figures indicating that import trade is being maintained at a relatively higher level than are exports—the former declining only 10 per cent. in quantity last year as compared with 1930 while the latter dropped 20 per cent.—is giving impetus to the movement.

It is pointed out that the closing of foreign markets has hit domestic industries hard and new fields of consumption must be found. In many instances the home product competes with imported merchandise. In the tobacco industry this was the contention of the domestic wrapper growers in protesting continued importation of Sumatra wrapper tobacco, and the situation is particularly acute in the case of shoes, watches and a number of other important commodities.

Indications are that a number of years will elapse before Europe again becomes the important market for American merchandise which she was before depression and it is accepted that something must be done to increase the market for important commodities at home to consume that proportion of our production which formerly was sent abroad.

APPRAISAL OF T. F. RYAN ESTATE FILED

AN APPRAISAL of the estate of the late Thomas Fortune Ryan for tax purposes was filed in New York State on February 15th, and disclosed a valuation of $141,834,497 gross and $135,164,110 net.

These figures were based on the value of Mr. Ryan's holdings on the day he died, November 23, 1928.

How many and which blocks of securities in the Ryan estate have been held intact by the executors was not shown in the document filed. In December, 1930, the financier's son and executor, Clendenin J. Ryan, filed an accounting of the estate which indicated that its value had already shrunk to $100,000,000 or less.

Mr. Ryan was an important factor in the tobacco industry during his lifetime and a great portion of his assets were in the form of securities of the various tobacco companies.

A list of tobacco securities held at the time of his death was as follows:

Shares	*Company*	*Appraised Value as of Nov. 23, 1928*
667	American Machine & Foundry Co. 7% preferred	$76,538.25
6,670	American Machine & Foundry common	1,153,910.00
3,350	American Snuff Co. common	633,150.00
13,500	American Tobacco Co. common B.	2,414,812.50
4,600	American Tobacco Co. common	821,100.00
60,470	British-American Tob. Co., Ltd., bearer	1,761,460.00
487	British-American Tob. Co., Ltd., registered	14,123.00
7,800	G. W. Helme Co. common	858,000.00
808	Imperial Tobacco Co. of Great Britain and Ireland, ordinary.	21,174.12
1,920	International Cigar Machinery de., common	199,680.00
99,076	Liggett & Myers Tob. Co., com. B.	9,127,376.50
58,000	Liggett & Myers Tob. Co. common	5,249,000.00
34,619	P. Lorillard Co. common	1,021,260.50
14,020	MacAndrews & Forbes Co. com.	702,752.50
8,716	Mengel Co. common	281,635.75
105,735	R. J. Reynolds Tobacco Co. common B	17,234,805.00
1,000	Tobacco Products Export Corp. common	325.00
11,147	Tobacco Products Corp. div. ctfs. for United Cigar Stores Co. of Amer. common Series A	239,660.50
5,475	Tobacco Products Corp. div. ctfs. for United Cigar Stores Co. of Amer. common Series B	117,712.50
5,475	Tobacco Products Corp. div. ctfs. for United Cigar Stores Co. of Amer. common Series C	98,550.00
45,450	Tobacco Products Corp. common.	4,722,595.08
7,652	Tobacco Securities Trust Co., Ltd., ordinary	111,186.71
7,652	Tobacco Securities Trust Co., Ltd., deferred par value 5s.	31,497.15
83,200	Union Cigar Co. common	465,920.00
16,800	Union Tobacco Co., Class A	1,008,000.00
66,400	Union Tobacco Co. common	996,000.00
722	United Profit Sharing Corp. com.	8,644.00
65	United Profit Sharing Corp. pf.	755.63
17,165	United States Tobacco Co. com.	1,802,325.00
750	J. S. Young Co. common	81,000.00

The largest single item of the assets of the estate was in the North Virginia Corporation, a holding concern of which Mr. Ryan held all of the 50,000 shares, valued at $39,997,500, and 55 debentures listed at $5,500,000.

The assets of the North Virginia Corporation were placed at $44,102,700 and liabilities at $6,390,000. Its principal holdings were:

Shares		*Value*
755,612	British-American Tobacco Co.	$21,157,136
83,787	Royal Typewriter Co. common	6,284,043
30,733	Royal Typewriter Co. preferred	2,919,658
207,460	Imperial Tobacco Co. of Great Britain and Ireland	5,808,992
94,451	Tobacco Securities Trust, ordinary	1,374,262
94,451	Tobacco Securities Trust, deferred	389,370
10,700	Carolina, Clinchfield & Ohio Railway Company	882,750
48,817	Clinchfield Coal Co	488,170
5,000	Ellisdale Co., Inc	406,218

New York State, where Mr. Ryan lived for fifty-seven years during which he amassed his wealth, received the bulk of the inheritance and estate taxes totaling $25,055,659. The transfer tax New York received alone amounted to $9,241,187. Federal taxes took $5,011,131 of the estate, which also paid a small tax on real estate and personal property in Mr. Ryan's native State of Virginia.

The only larger estate in the history of the Transfer Tax Bureau was that of the late Payne Whitney. It totaled approximately $180,000,000.

"IS IT ALIVE?"

LIGGETT & MYERS TOBACCO COMPANY effectively stopped foot traffic at the northeast corner of Fifth Avenue and Forty-second Street, New York, by means of a "Chesterfield" window display featuring a highly humanized midget robot. Small animated figures have always been successful as attention getters, but this one was the last word in mechanical ingenuity and the first of its kind to be seen on Fifth Avenue.

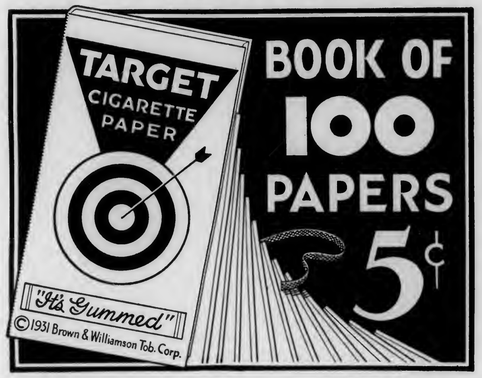
The store manager reports that this exhibit drew crowds throughout the day, requiring the efforts of policemen at regular intervals to keep the sidewalk from being blocked. An enterprising greeting card merchant capitalized on the large crowds by leasing the store next door.

In the words of the old song, the midget "rolls his eyes, and shows surprise, and that isn't all." It raises its eyebrows, wiggles its ears, moves its head, points with one hand to the "Chesterfield" cigarette in its other hand and moves its lips as if to repeat the legend that flashes behind it:

I'LL BE FAIR WITH YOU
YOU 487,000 PEOPLE WHO PASS DAILY
ALL "CHESTERFIELD" ASKS IS A TRIAL.

Many persons, women particularly, detached themselves from the crowd viewing the robot and pressed noses against the window to discover if by any chance it could be a live midget. The figure is made of hard rubber and the life-like gestures come from electrical impulses generated by a dynamo behind the exhibit. A gray background and red side panels furnished the dominating color notes of the display mounting.

TARGET CIGARETTE PAPERS A HIT



THE Brown & Williamson Tobacco Corporation, Louisville, Ky., are rapidly obtaining 100 per cent. distribution on their five-cent books of genuine "Target" gummed cigarette papers. Dealers are commenting regarding the attractive display cartons, and a lot of stores are putting them on their counters and report a "sure fire seller."

AMERICAN TOBACCO SUIT DISMISSED

The shareholders' suit to rescind the low-priced sale of 56,712 shares of stock in the American Tobacco Company to its president, George W. Hill, and other officers was dismissed on February 16th by Federal Judge Robert P. Patterson on the grounds of no jurisdiction.

Judge Patterson dismissed the suit without prejudice. He ruled that the action should be brought in the New Jersey Courts, inasmuch as the American Tobacco Company was incorporated under the laws of that State.

BRITISH-AMERICAN DIVIDEND

The British-American Tobacco Company, Ltd., London, Eng., has declared interim dividends of 10d on each of the American depositary receipts for ordinary bearer shares and for ordinary registered shares, free of tax, but less expenses of depository.

Dividends of 2½ cents on each of the American depository receipts for 5 per cent. preferred bearer shares and 5 per cent. registered shares were also declared, less British income tax and deductions for expenses of depository. All payments are due April 7th to stockholders of record March 3d.

AMERICAN CIGAR EARNINGS

The American Cigar Company report for 1931, issued last week, shows net loss for the year of $1,110,405, after taxes, depreciation, etc., compared with net loss of $1,590,870 for the year 1930.

GOOD YEAR FOR BROWN & WILLIAMSON

George Cooper, president of Brown & Williamson Tobacco Corporation, reported 1931 as being a most satisfactory year for his company.

JOSE M. DIAZ, SR., PASSES

MEMBERS of the industry were recently shocked to learn of the death of Jose M. Diaz, Sr., on February 15th, following a period of ill health.

Mr. Diaz was a prominent figure in the cigar manufacturing industry for many years and was head of the Preferred Havana Tobacco Company, manufacturers of the "Henry the Fourth" and other popular brands.

Mr. Diaz was born in Spain and came to this country in 1883, and a short time later became associated with his brother in the cigar manufacturing business in New York City.

Later he went to Havana and engaged in the manufacturing business with another brother there. After spending some time there he again transferred his interests to Tampa, and in 1913, when the Preferred Havana Tobacco Company was organized as a merger of the firms of Bustillo Brothers & Diaz, P. Verplanck & Company and Calixto Lopez & Company, he became president of the company and retained that position up until his death.

Funeral services were held on Thursday, February 18th, at Christ Episcopal Church, Hackensack, N. J.

He is survived by his mother and one son, Jose M. Diaz, Jr. He was sixty-five years old.

HAVANA MARKET ACTIVE

Advices from Havana are to the effect that there has recently been considerable activity in the leaf tobacco market there, with a great number of important purchases having been made of Vuelta Abajo leaf at prices varying between $50 and $70 a bale.

Very little Partido leaf has been sold however, due to the fact that the stock of this leaf is small and is held by persons who are demanding a higher price than buyers will pay up to the present time.

It is reported that the 1930-1931 crop of Cuban leaf has been one of the most easily-disposed-of crops ever grown, and it has been an agreeable surprise to the growers.

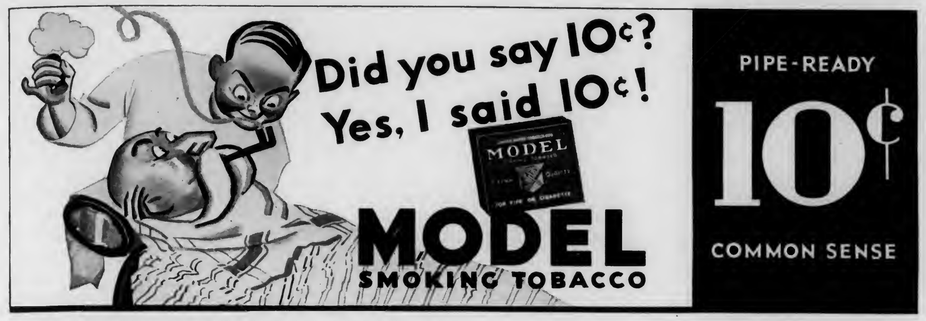
CIGARETTE PAPERS IN OHIO

Persons selling or giving away cigarette wrappers in Ohio are not required to secure a license under the new cigarette license law, Attorney General Gilbert Bettman has held.

"I am inclined to the belief that the sale of cigarette wrappers without complying with the provisions of the law relating to cigarettes was not intended, although a literal reading of the penal statute tends to support the opposite conclusion," Mr. Bettman said in his opinion. "In other words, as an academic proposition, it might well be said that this statute makes it a crime to sell cigarette wrappers without complying with all the provisions of law necessary to engage in the business of selling a different commodity, namely cigarettes; but a consideration of the entire act would, in my opinion, lead a court to conclude that this language in the penal section is inadvertent."

AMERICAN SNUFF EARNINGS UP

The American Snuff Company reports net income for 1931 of $1,916,132, after depreciation and Federal taxes, equivalent, after the 6 per cent. preferred dividends to $3.81 a share on 440,000 shares of common stock. This compares with $1,893,049, or $3.76 a common share in 1930.



SUPREME COURT UPHOLDS UTAH BILLBOARD LAW

IN FEBRUARY 23d, Utah's right to keep advertisements of cigarettes, cigars—all tobacco, in fact—off its billboards was upheld by the United States Supreme Court in a decision in which all the Justices agreed. Justice Brandeis in his opinion dwelt upon the fact that such sales methods are thrust upon the public.

The Utah statute also prohibited tobacco advertising in street cars and by placards elsewhere, and Justice Brandeis said they too were placed where one saw them whether he wished to or not.

He said there was little foundation in the claim that Utah had discriminated against billboard advertising in favor of the newspapers, magazines and the radio.

"In the case of newspapers and magazines," he said, "there must be some seeking by one who is to see and read the advertisement. The radio can be turned off, but not so the billboard or street car placard."

"These distinctions," he added, "clearly place this kind of advertisement (billboard) in a position to be classified so that regulations or prohibitions may be imposed upon all within the class. This is impossible with respect to newspapers and magazines. The legislature may recognize degrees of evil and adapt its legislation accordingly."

The case which put the Utah law to the test came from a cigarette advertisement displayed on a billboard in Salt Lake City. The law was upheld in the Supreme Court of Utah and the Packer Corporation of Delaware appealed.

GREGG HEADS AMERICAN CIGAR COMPANY

It was announced on Thursday that Albert H. Gregg, of Faber, Coe & Gregg, New York distributors, had been elected president of the American Cigar Company to succeed George W. Hill, president of the American Tobacco Company. Junius H. Parker and George H. Eichelberger were elected directors of the cigar company to fill vacancies.

THURSTON AND PETERS VISIT NEW YORK

E. H. Thurston and E. S. Peters, sales managers for the St. Louis branch of Liggett & Myers Tobacco Company, arrived in New York on February 15th to spend several days at Liggett & Myers' headquarters. Mr. Thurston is one of the company's vice-presidents.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

CUBAN BAN ON U. S. CIGARETTES LIFTED

REPORTS from Havana state that "Hip-patting" may continue merrily on the American side, where vigilant customs officers seek to bar entry of contraband liquids, but the days of "frisking" on the Cuban front have ended.

President Machado has signed a law which permits each tourist to enter the country with 400 of his favorite cigarettes duty free.

Tirso Mesa, Mayor of Havana, and president of the National Tourist Commission, obtained the new ruling from Congress after visitors had complained that they had been searched for contraband cigarettes by customs officials.

AMERICAN PURCHASES OF SUMATRA TOBACCO, 1930

THE TOTAL crop of Sumatra tobacco during the year 1930 aggregated 37,237,810 pounds, of which 2,970,566 pounds, or 8 per cent., were shipped to the United States, reports American Commercial Aattache Jesse F. Van Wickel to the Tobacco Division of the Department of Commerce. During the years 1919 to 1923, inclusive, the United States bought an average of 18 per cent. of the annual crops amounting to 5,536,721 pounds per year. Over the five-year period, 1924 to 1928, inclusive, American purchase averaged 14 per cent. of the total or 5,497,743 pounds per annum.

The leading Sumatra tobacco producers are the Deli Maatschappij, the Senembah Maatschappij, the Deli Batavia Maatschappij, the Tabak Maatschappij "Arendsburg" and the Cultuur Maatschappij de Oostkust, all of whom operate estates on the island of Sumatra in the Netherland East Indies.

The 1930 crop of the Deli Maatschappij consisted of 13,704,499 pounds of Sumatra tobacco, of which 1,120,113 pounds or about 8 per cent. were purchased for American account. The total crop of the Senembah Maatschappij aggregated 1,125,620 pounds, of which approximately 11 per cent. or $753,620 pounds were exported to the United States. The Deli Batavia Maatschappij recorded a Sumatra crop of 5,541,659 pounds; exports to the United States amounted to 407,057 pounds, or about 7 per cent. The total Sumatra crop of the Tabak Maatschappij Arendsburg comprised 3,909,373 pounds, of which 188,008 pounds, that is about 5 per cent., were purchased for American account. The crop of the Cultuur Maatschappij de Oostkust totaled 2,250,103 pounds of Sumatra tobacco; the United States bought about 3 per cent. The following table shows the total Sumatra crop during the period 1920 to 1930, and sales to the United States:

Year	*Total Production in Pounds*	*Per Cent. Sold to United States*
1920	21,892,000	16.0
1921	29,200,000	16.9
1922	35,412,000	20.2
1923	37,295,000	13.6
1924	40,044,000	13.2
1925	39,734,000	9.9
1926	44,202,000	10.2
1927	41,270,000	13.9
1928	46,788,000	13.0
1929	42,692,000	11.7
1930	37,238,000	8.0

The tobacco grown in the Netherland East Indies is sold by public auction held in the Netherlands. The data given above represent exclusively the sales of Sumatra tobacco during the tobacco auctions, and the "second hand" trade, which is often very likely during and after the auctions, has not been taken into consideration.

BRITISH-AMERICAN BUSINESS SATISFACTORY

"British-American Tobacco Company's business is maintaining a satisfactory trend, although naturally it has been affected to some extent by the depression," Sir Hugo Cunliffe Owen, chairman of the board, said on arrival here to look over his company's American interests.

After spending some time in New York City, Sir Hugo journeyed to Louisville, Ky., where he inspected the Brown & Williamson Tobacco Corporation's plant, which is a subsidiary of the British-American Company.

HALF MILLION HAVE SEEN "CHESTERFIELD" EXHIBIT

THERE is no doubt that the cigarette smoker is keenly interested in how his favorite cigarette is made, says W. A. Blount of the advertising department of Liggett & Myers Tobacco Company, Inc., who has just returned to New York from a week's trip to Chicago where he inspected the Chesterfield Cigarette Exhibition Factory. Mr. Blount directed the set-up of this exhibit on the ground floor of the Railway Exchange Building, Jackson and Michigan Boulevards, last June. The two cigarette-making machines and the packing machine have been in operation there daily except Sundays.

Mr. Blount found that the most frequent comment among the 1500 daily visitors—on some days the number rises to 3000—had to do with the cleanliness of the exhibit. The machines are glittering examples of chromium-plate and they are set off in a background of white vitriolite and canora glass trimmed with black and silver. Although 1500 cigarettes are produced each minute, there is no trace of tobacco dust or torn cigarette paper.

Some of the questions asked by visitors seem amusing to a tobacco man, Mr. Blount reported, but they serve to show the interest in the exhibit which has never flagged since the opening day. It is estimated that close to half a million persons have visited the show-place on the Boul' Mich and gone away with a better understanding of the care of manufacture and the quality of tobacco and paper which go into the making of "Chesterfields."

KENTUCKY CIGARETTE TAX PROPOSED

The Kentucky Legislature may yet levy a tax on cigarettes and cigars before it solves the problem of balancing the budget demanded by Governor Ruby Laffoon, according to information given tobacco men in Frankfort, Ky., on February 20th.

L. B. Hundley, of Hodgenville, a Democratic member of the State House of Representatives, has introduced a bill for a State stamp tax on cigarettes and cigars, the tax being one-fifth of a cent for each cigarette and 10 per cent. of the wholesale price of cigars. Cigarettes selling for a cent each would thus be taxed at the rate of 20 per cent. under the proposed bill.

The bill, which was referred to the Committee on Revenue and Taxation No. 1, is the second in the hands of that committee to provide for such a tax, as the committee already has for consideration a measure introduced by Representative J. R. Johnson, of Marion County, which provides for a tax of five cents a package on cigarettes and one cent each on cigars.

J. S. YOUNG REPORTS

The J. S. Young Company, Baltimore, manufacturers of licorice flavorings, reports net profit of $229,940 for 1931 after charges and Federal taxes, equivalent after dividends paid on the 7 per cent. preferred stock of $10.66 a share on 15,000 shares of common stock.

This compares with $255,816, or $12.38 a share on the common shares in 1930.

STOCKS OF LEAF TOBACCO UP

Stock of leaf tobacco held by dealers and manufacturers January 1, 1932, were reported last week by the Department of Agriculture to total 2,012,780,000 pounds, as compared with 1,853,476,000 on that date a year ago.

TOBACCO PRODUCTS DECLINE IN JANUARY

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of Internal Revenue collections for the month of January, 1932, and are issued by the Bureau. (Figures for January, 1932, are subject to revision until published in the annual report):

Products	*January*	
	1931	*1932*
Cigars (large):		
Class A ..... No.	252,620,780	266,017,640
Class B ..... No.	14,584,000	5,191,617
Class C ..... No.	90,697,140	67,520,082
Class D ..... No.	4,534,738	3,719,778
Class E ..... No.	502,660	474,392
Total.....	362,939,318	342,923,509
Cigars (small)..... No.	28,453,013	27,851,587
Cigarettes (large)..... No.	562,581	354,100
Cigarettes (small)..... No.	9,368,208,250	8,962,787,103
Snuff, manufactured... lbs.	3,630,508	3,608,348
Tobacco, manufactured. lbs.	28,066,310	27,274,358

NOTE: The above statement does not include tax-paid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of January:

Products	*January*	
	1932	*1931*
Cigars (large):		
Class A ..... No.	8,219,700	3,068,410
Class B ..... No.	112,500	108,000
Class C ..... No.	116,550	283,500
Class D ..... No.	.....	1,000
Total.....	8,448,750	3,460,910
Cigars (small)..... No.	1,000,000	.....
Cigarettes (large)..... No.	100,000	.....
Cigarettes (small)..... No.	10,000	188,400

Tax-paid products from the Philippine Islands for the month of January:

Products	*January*	
	1931	*1932*
Cigars (large):		
Class A ..... No.	9,153,385	9,590,740
Class B ..... No.	106,430	109,473
Class C ..... No.	37,854	29,538
Class D ..... No.	600	1,560
Class E ..... No.	1,605	20
Total.....	9,299,874	9,731,331
Cigarettes (small)..... No.	335,350	158,850
Tobacco, manufactured. lbs.	87	54

NOTE: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Comparative Statement of Taxes Collected During the Seven Months of Fiscal Year

Objects of Taxation	*First seven months Fiscal year*	
	1931	*1932*
Tobacco manufactures:		
Cigars	$11,259,159.51	$9,226,134.54
Cigarettes	208,746,629.03	188,746,744.55
Snuff	4,135,092.92	4,048,395.65
Tobacco, chewing and smoking.....	33,853,051.25	34,345,163.07

Always a winner. Now a "2 for 5" sensation in its new package ...Give War Eagle front counter display... for fast sales... rapid repeats . . . and quick profits.

INDIVIDUALLY BANDED
CELLOPHANE WRAPPED

WAR EAGLE
CIGARS

P. LORILLARD CO., INC.
119 WEST 40TH STREET, NEW YORK

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

UTICA TOBACCO COMPANY MOVES

The Utica Tobacco Company, manufacturers of "Bucko" smoking and chewing tobacco, has moved its manufacturing plant from 802 Second Street to 320 Broad Street, Utica, N. Y., and installed new packaging machinery.

Edward F. Dunn, who has been connected with the industry for thirty-seven years, is manager of the Utica plant.

WEBSTER EISENLOHR REPORTS LOSS

Webster Eisenlohr, Inc., and subsidiaries, report net loss for 1931 of $163,372, after depreciation and interest, as compared with net loss of $246,570 in 1930.

UNITED SELLS REALTY FIRM STOCK

CHARLES F. NOYES, president of Charles F. Noyes Company, Inc., has purchased 48,330 shares of the company's stock held by United Cigar Stores Company of America. Mr. Noyes has resigned as a director of Cigar Stores Realty Company, Inc., and George J. Wise, George Wattley and Albert C. Allen, officials of United Cigar Stores, have resigned as directors of Charles F. Noyes Company, Inc., being succeeded by Edward J. Crawford, Edward E. McNally and Marcel S. Keene, all of the Noyes' organization.

Mr. Noyes purchased the United Cigar interest in his company with his personal funds, the purchase being made both for his own account and for certain employees and executive shareholders of the company. Charles F. Noyes Company, Inc., was organized in 1926, at which time ownership of substantially 50 per cent. of the company was acquired by United Cigar Stores' interests. Since then, United's cash investment has been entirely paid off with the retirement of $1,200,000 of the Noyes Company's preferred stock.

The outstanding Noyes Company common stock, amounting to 120,000 shares, with the exception of a relatively small amount held by friends, is owned by active members of the Noyes organization. Mr. Noyes states he has never personally sold a share of his stock in the company, and in buying the substantial block from United Cigar, is looking forward toward a more complete mutualization of the Noyes business.

"Sale of its Noyes Company stock by United Cigar and its purchase by Mr. Noyes," the company states, "was due largely to the fact that United's business has changed considerably in the past two years, and United Cigar's policy is now against speculative real estate investments or acting as dealers in real estate or in the mortgage field. However, the same cordial relations exist between the two companies as heretofore, notwithstanding the fact that there is no longer any financial connection as stockholders between the United and Noyes organizations. The Noyes Company still is acting as agent for United Cigar in the New York City Metropolitan district."

William B. Falconer has been made first vice-president of Charles F. Noyes Company, Inc. Company's board of directors henceforth will consist entirely of active Noyes organization officials.—*Wall Street Journal.*

MAN 102 CHEWS TOBACCO

Henry Mickels, Sumner, Ill., passed his one hundred and second birthday on January 14th, and stated he had smoked and chewed tobacco since 1839.

Mr. Mickels was with Sherman on his famous march to the sea and remembers seeing Abraham Lincoln hauling a load of wood in Charleston, Ill., long before the Civil War.

Stephen R. Ferguson, of Wichita, Kan., also passed his ninety-first birthday on January 14th, and stated his longevity was due to the fact that he has chewed tobacco since he was eight years old.

IMPERIAL TOBACCO DIVIDEND

The Imperial Tobacco Company has declared a dividend of 1¾ per cent. on the common stock and 3 per cent. on the preferred, payable March 31st to stockholders of record March 2d.

Election of Earle Spafford as vice-president was announced. He had been a director since January 1, 1931.

TOBACCO AND ALLIED STOCKS REPORT

TOBACCO and Allied Stocks, Incorporated, an investment company, reports for 1931 net income of $165,990, before loss on sale of securities totaling $440,020. This is equal to $3.13 a share on 53,000 shares outstanding, compared with $3.38 a share earned on 60,000 shares outstanding at the end of 1930.

Balance sheet shows investments at cost of $2,845,369 had a market value on December 31, 1931, of $1,585,000, indicating an excess of cost over market value of $1,257,569. Net assets were equivalent to $34.03 a share on 53,000 shares outstanding, as compared to $43.35 on December 31, 1930, on 60,000 shares outstanding as of that date.

As of December 31, 1931, 95.43 per cent. of the corporation's assets were represented by cash and dividend-paying securities. The principal change in the corporation's portfolio during the year was an increase in its holdings of cigarette manufacturing companies' stocks. Investments in cigarette manufacturing companies now comprise 62.04 per cent. of its total investments as compared with 54.40 per cent. reported on December 31, 1930. The investments in cigar manufacturing companies have been reduced from 26.35 per cent. as of December 31, 1930, to 17.16 per cent. as of December 31, 1931.

At a special meeting of stockholders on December 29th, stockholders ratified the retirement of 7000 shares of its own stock, acquired in the open market. The total cost of these shares was $170,497.

HOW MANY WORDS IN "HENRY GEORGE CIGAR"?

New Advertising Campaign Offers $1000 in Cash Prizes to Newspaper Readers

The American public seems more interested in prize contests than ever before, and Consolidated Cigar Corporation is taking advantage of this fact.

In a number of cities in different parts of the country, a display advertising campaign was started toward the end of February on that famous old cigar, "Henry George," offering twenty-six prizes, with a top of $500, to those making the most words out of the letters in H-e-n-r-y G-e-o-r-g-e C-i-g-a-r.

Naturally, this is pleasing to the trade as it inevitably increases demand for this brand, for each contestant accompanies his or her list of words with ten bands from "Henry George" cigars. "Reasonable facsimiles in colors" can be used but, of course, nearly everybody prefers to buy ten "Henry George" cigars and take the bands off.

The judges in the contest are the Consolidated Cigar Corporation, New York, where every mail brings a load of envelopes addressed to the "Contest Department."

IMPERIAL TOBACCO CANADA EARNINGS

The Imperial Tobacco Company of Canada, Ltd., reports for 1931 net profit of $5,914,079 as compared with net profit of $8,153,638 for the fifteen months ended December 31, 1930.

UNITED STOCKHOLDERS APPROVE CHANGE

Stockholders of the United Cigar Stores Company of America at a meeting last week approved a change in the company's stock to 6,000,000 shares of $1 par from an equal number of no-par shares.

Editorial Comment

(*Continued from Page 3*)

other phase of the business. And it is not to be denied that the packaging of the cigar is of the utmost importance.

Cigar manufacturing requires experts to choose tobaccos. It further demands that these tobaccos be expertly handled and prepared for the manufacturing process. And there is some skill required in actually manufacturing the cigars themselves.

If we concede the fact that all this has been perfectly accomplished, the manner in which the cigar is packed and the package in which it is contained, has a very definite bearing on the condition in which the cigar reaches the consumer. And from the packaging to the consumer the cigar passes through the most important period of its life.

All the fine tobaccos in the world will not make a good cigar unless it is properly packed and packaged. And the non-porous wrapper and the substitute container are used in defiance of natural laws and obviously to the detriment of all the inherent values in the freshly made product.

Our benevolent Government has contributed much to the tobacco industry in determining the best types of tobacco grown in this country, their fertilization, and methods of handling. The Department of Agriculture has made important contributions to cigar leaf culture.

But what does all this amount to if after the finest of tobaccos are made into cigars, there is no available information as to the effect of various types of coverings and containers on these cigars in transit from the factory to the consumer?

A certain English manufacturer sought to meet the demands of the American public for small quantities of Stilton cheese, which is not cheap. He put it up in dignified glass containers of less than a pound in weight. A patent tin top which made it airtight contained a small rubber ring. This ring probably cost only a fraction of a penny, yet it ruined an article which sold for from $1.25 to $1.50 a jar.

Here was an expensive article ruined for consumption by the use of an insignificant item in packaging which had not been tested or investigated.

When cigar manufacturers refuse to investigate to the fullest extent the method of packaging and the character of the container in which their brands are offered to the public for consumption, they are throwing to the four winds all the time, money and effort invested in buying good tobaccos, and properly handling and manufacturing them.

The proper packaging of cigars is just as important to the cigar industry as the packaging of fruits, vegetables or candies. And a poor container can destroy the goodwill of any nationally known product.

CONTINENTAL CIGAR TO INCREASE OUTPUT

The Continental Cigar Corporation, of Scranton, Pa., is completing an addition to its factory which will provide 2000 more square feet of manufacturing space to its plant.

The plant now employs 200 persons and has an output of 18,000,000 cigars annually, but when the addition is completed, 90 more employees will be added to the force and production will be increased to 25,000,000 cigars annually.

NEW CAMPAIGN BACK OF "44" CIGAR

CONSOLIDATED CIGAR CORPORATION is telling the world" the news about "44" cigars. The vehicle used is newspapers where an impressive campaign is stimulating sales.

There is a simple, rugged character to this advertising that is attracting much favorable comment. In each advertisement there is a fine old cigar store Indian at the top, giving point to the line in each ad "Same Old Quality—Same Old Price." A big cut-out of this Indian is being displayed by the retail trade.

The cigar is shown actual size and besides it a ruler measuring five and one-half inches. A huge "44" in an oval is tied up with a boldly displayed line reading "Now Only 5 Cents."

The text is short and snappy, with such headlines as: "Big in Everything but Price"—"What's Your Lucky Number?"—"Fastest Growing Cigar in America."

For many years, "44" cigars were a big seller in Class B. Now that they are priced in Class A, sales are reported to be increasing at a record-breaking pace. Consolidated Cigar Corporation is showing its belief in the future of "44" cigars by the nature and extent of its early spring advertising.

PANAMA TO CURB TOBACCO SMUGGLING

In an effort to wipe out the smuggling of tax-free cigarettes from the Canal Zone into the republic of Panama, the Secretary of the Treasury has prepared a decree for signature of the President, which will require that the word "Panama" be printed on every cigarette and every package imported there.

Cigarettes are the chief item of illicit merchandise transported from the Canal Zone, and hence the chief customs problem. All tobaccos are sold freely at the Canal Zone restaurants for cash, whereas at the commissaries coupons are required. Panama at various times has stationed customs inspectors outside the restaurants and arrested purchasers who crossed into the republic and could not prove they were employees of the Panama Canal or the Panama Railroad.

A fine of $25 and confiscation was, and is, the usual penalty, but there are so many ways of circumventing such control that it has been of little aid in correcting the situation.

PIPE COMPANY ORGANIZED IN CHICAGO

The Interstate Briar Pipe Company has been organized and chartered as a corporation at Chicago, with headquarters at 5707 North Clark Street. The new firm is capitalized at $20,000 and will deal in pipes of all descriptions, a general line of smokers' articles and gift and novelty items as well.

Members of the firm are O. K. Mitchell, Jr., Carl Rosequist and George Khoubesser, each having been identified with the pipe industry for the past ten years.

TOBACCO NAME FROM REMOTE ISLAND

According to one explanation tobacco takes its name from "tobaco" the name given to the pipes which Spaniards and Caribs in the West Indies smoked. In turn this name is said to be derived from "Tobago," an island near Trinidad, southerly island terminal of Canadian National Steamships plying from Halifax and Boston. It was on Tobago that Robinson Crusoe is supposed to have been marooned.

OVERSIZED CIGARS FAVORED BY AMI LADIES

THE BELLES of the Ami tribe on the island of Formosa consider a small cigar unsuited to their dainty feminine natures; hence, they puff stogies of huge proportions. Just to be different, the Ami males consider it an aspersion on their masculine virility to be seen with a large cigar. They prefer them small and delicate, almost the size that are generally smoked in other parts of the world.

Though the Ami are very particular about the size of their cigars, they are evidently not interested in whether or not sanitary precautions have been taken in making them. But sanitation does not play a very important role in the lives of these natives. While American smokers prefer their cigars small in size, they are coming more and more to place sanitary protection first in the cigars they smoke. In response to this demand, one five-cent cigar is now finished under glass, and holds the distinction of being the only one in the whole world with which such extraordinary precautions are taken to insure the maximum health protection.

In addition to their singular smoking habits, the Ami natives are noted for their elaborite headdresses, which serve both as the local savings bank and as the social register. The head ornaments of the women are decorated with silver coins; that gives their financial status, which, even in Formosa, is a clue to their position in society.

OPINIONS ON CUT PRICES

The reference by Blackpool and Blackburn Chambers of Trade to the undercutting evil, in their annual reports, has formed the subject of interesting comments in trade circles.

The Blackpool chamber executive frankly confess that after consideration, they came to the conclusion they could take no action because of the enormously-wide field it would immediately open, adding, "Price-cutting is business suicide when the cuts become non-economic. Other traders are adversely affected. Some may be compelled to close down, but it is only a matter of time before the 'cutter' is compelled either to revise his prices, stock cheaper lines, or close down himself."

Mr. E. C. Page, wholesale manager to the manufacturing firm of Messrs. Waller and Hartley, stated openly that "there is neither sense nor reason in price-cutting. Several legitimate traders are seriously handicapped by this form of unfair competition." The small trader had no chance of cutting prices as low as some cutting shops, because he bought smaller quantities, and consequently had to pay a slightly higher price. He did not think any reputable firm would supply cut-price shops direct. In many instances they were supplied by small manufacturers or wholesalers, and sometimes by small retailers.

Mr. Al Badash, proprietor of thirteen cut-price shops in sweets and confectionery, in Blackpool, Southport, Morecambe and Fleetwood emphasized, when interviewed, that "It was better to have a big turnover and small profits than have a small turnover with big profits. Seventy-five per cent. of his competitors had not sufficient business acumen. They did not think for themselves, but allowed their federation or association to think for them. It is a matter of 'Follow-my-leader.' They should strike out in their own original lines and be independent. Then they would do better," he added. "I am highly satisfied, and I must have satisfied the public, because our success depends entirely upon the public. Our methods meet with public approval, and that is what we are here for." If other traders cut their prices he would still sell lower. "*Tobacco*"—London.

SEVEN MONTHS' WITHDRAWALS FOR CONSUMPTION

	First 7 Mos. Fiscal Yr. 1932		*— Decrease + Increase Quantity*
Cigars:			
Class A—			
United States	2,204,701,430	+	77,270,940
Porto Rico	60,120,675	—	22,960,500
Philippine Islands	103,142,190	+	9,983,585
Total.....	2,367,964,295	+	64,294,025
Class B—			
United States	46,954,986	—	158,958,440
Porto Rico	800,350	—	1,287,900
Philippine Islands	884,816	—	112,921
Total.....	48,640,152	—	160,359,261
Class C—			
United States	744,158,790	—	276,913,392
Porto Rico	2,827,144	—	3,468,296
Philippine Islands	310,112	—	437,796
Total.....	747,296,046	—	280,819,484
Class D—			
United States	46,127,796	—	22,857,363
Porto Rico	18,000	+	400
Philippine Islands	4,536	—	4,204
Total.....	46,150,332	—	22,861,167
Class E—			
United States	8,827,340	—	6,312,658
Porto Rico	500	—	2,100
Philippine Islands	9,202	—	59,779
Total.....	8,837,042	—	6,374,537
Total All Classes:			
United States	3,050,770,342	—	387,770,913
Porto Rico	63,766,669	—	27,718,396
Philippine Islands	104,350,856	+	9,368,885
Grand Total..	3,218,887,867	—	406,120,424
Little Cigars:			
United States	180,187,933	—	24,286,879
Porto Rico	3,000,000	—	50,000
Philippine Islands	.....		.....
Total.....	183,187,933	—	24,336,879
Cigarettes:			
United States	62,979,309,335	—	6,588,644,440
Porto Rico	4,708,400	—	8,462,600
Philippine Islands	1,220,030	—	387,063
Total.....	62,985,237,765	—	6,597,494,103
Large Cigarettes:			
United States	2,874,682	—	1,058,731
Porto Rico	572,500	—	927,500
Philippine Islands	200	—	4,900
Total.....	3,447,382	—	1,991,131
Snuff (lbs.):			
All United States.	22,491,086	—	481,653
Tobacco (mfd.) (lbs.):			
United States	190,976,016	+	2,934,883
Philippine Islands	716	—	452
Total.....	190,976,732	+	2,934,431

THE TOBACCO TRADE AND PRODUCTION OF CUBA, 1931

EXPORTS of tobacco from Cuba during 1931 were the lowest in three years, according to a report prepared by American Consul Harold B. Quarton and released by the Tobacco Division of the Department of Commerce. The total tobacco exports in 1931 amounted to only 22.8 million dollars compared with 33.5 million dollars in 1930. Buying was heavy at the beginning of 1931 but fell off at the end of the year. The world market appeared overstocked and buyers from the United States, Argentina and Germany were making careful selections or keeping out of the market. Shipments to the Netherlands were fairly heavy and regular throughout the entire year. American purchases of cigars have been decreasing and buyers confined themselves almost entirely to unstemmed tobacco in 1931. Spain, Great Britain, and France showed a disposition to take larger amounts of manufactured tobaccos. Argentine buyers bought about half and half by value of manufactured and unmanufactured. Dutch buyers purchased unmanufactured tobacco, while Canadian purchasers were principally of high quality cigars. The principal products exported were as follows:

	1929	*1930*	*1931*
Tobacco, wrapper, filler, stemmed and scrap	†45,857,158	57,683,741	39,726,736
Cigars	*89,183,507	72,346,412	55,311,973
Cigarettes	*93,440,445	95,385,155	67,296,322
Picadura	†284,715	200,694	160,808

†Pounds.
*Number.

In volume the crop of 1931 amounted to 80.7 million pounds and approximated that of 1930, both crops being considered very large. Many other countries produced bumper crops and purchases were not heavy, notwithstanding the fact that qualities in the 1931 crop were very good. Plantings for the 1932 crop have been reduced by 50 per cent. and, as weather conditions have not been favorable, making possible a broad heavy leaf, it is believed that the demand for 1931 tobacco will increase during the current year. The following tables show the Cuban crops by producing districts for the last four years:

	1928		*1929*	
	Bales	*Pounds*	*Bales*	*Pounds*
Vuelta Abajo	176,998	17,699,800	197,486	23,612,008
Semi-Vuelta	16,004	2,000,500	38,895	4,832,566
Partido	34,899	2,791,920	24,664	2,968,590
Remedios	261,052	39,157,800	233,977	32,757,478
Oriente	24,587	4,425,660	19,567	3,522,495
Total	513,540	66,075,680	514,589	67,693,137
	1930		*1931*	
	Bales	*Pounds*	*Bales*	*Pounds*
Vuelta Abajo	186,216	22,296,430	195,441	23,409,170
Semi-Vuelta	35,164	4,362,600	35,872	4,488,271
Partido	19,941	1,595,280	18,629	1,490,320
Remedios	339,091	50,863,590	309,616	46,442,433
Oriente	17,853	3,035,010	28,686	4,876,628
Total	598,265	82,152,910	588,244	80,706,822

HAPPINESS CANDY STORES

Happiness Candy Stores reports net loss for 1931 of $103,264 after expenses, depreciation, amortization, etc., against net loss of $564,278 in 1930.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

NEW BISMARCK HOTEL, CHICAGO, USES CIGARETTES IN PUBLICITY CAMPAIGN

A POSSIBLE source for sales of cigarettes has been developed through a publicity campaign of the New Bismarck Hotel, Chicago, under the direction of Otto K. Eitel, general manager of the hotel and leading figure in the country's hotel field.

The cigarettes, bearing the name Bismarck, are boxed in a rich appearing carton containing 20 cigarettes with or without cork tips. The design on the cover is a "b" with a smoke ring encircling the stem of the letter. The colors are blue and gray.

The hotel handles the cigarettes exclusively and it is felt that the widespread use of the cigarettes by the guests will add greatly to making the hotel better known not only locally but throughout the country as well. In fact the idea is to make a promotional campaign self-supporting by this means.

From the experience of the hotel with the guest trade, Mr. Eitel reports that the average guest is interested in displaying a box which is quite impressive as well as enjoying the fine qualities of an excellent smoke.

The cigarettes are on display on a landing of the grand staircase leading to the lobby and main dining room. Along with them is a box of cigars which also bear the name Bismarck and have been featured by the hotel for some time.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

KENWORTHY:—45,984. For briar pipes. February 10, 1932. H. E. Shaw Co., Worcester, Mass. (By consent of John Middleton, Philadelphia, Pa.)

ROLLME:—45,985. For all tobacco products. February 13, 1932. Rollme Tobacco Co., New York, N. Y.

TRANSFERS

LA LAMPARA:—25,737 (Tobacco Leaf). For cigars. Registered July 1, 1903, by Cole Litho. Co., Chicago, Ill. Transferred to Manuel Fernandez & Bro., and re-transferred to Marcelino Perez & Company, Tampa, Fla., February 4, 1932.

CALESA:—37,068 (United Registration Bureau). For cigars, cigarettes and tobacco. Registered November 24, 1911, by George Schlegel, New York, N. Y. Transferred to Manuel Fernandez, Jacksonville, Fla., and re-transferred to Marcelino Perez & Co., Tampa, Fla., February 4, 1932.

LA CALESA:—37,067 (U. R. B.). For cigars, cigarettes and tobacco. Registered November 24, 1911, by George Schlegel, New York, N. Y. Transferred to Manuel Fernandez, Jacksonville, Fla., and re-transferred to Marcelino Perez & Co., Tampa, Fla., February 4, 1932.

AL A. VENTANA:—25,031 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered October 15, 1912, by Manuel Fernandez, Ybor City, Tampa, Fla. Transferred to Marcelino Perez & Company, Tampa, Fla., February 4, 1932.

TARVIA:—40,319 (United Registration Bureau). For all tobacco products. Registered July 25, 1917, by Geo. Schlegel, New York, N. Y. Transferred to Manuel Fernandez, Chicago, Ill., and re-transferred to Marcelino Perez & Company, Tampa, Fla., February 4, 1932.

FLOR DE TARVIA:—40,377 (U. R. B.) For all tobacco products. Registered September 11, 1917, by George Schlegel, New York, N. Y. Transferred to Manuel Fernandez, Chicago, Ill., and re-transferred to Marcelino Perez & Company, Tampa, Fla., February 4, 1932.

DRUG, INCORPORATED, EARNS $19,433,237

DRUG, INCORPORATED, which controls Louis K. Liggett Company, United Drug Company, and the Owl Drug Company, reports consolidated net profits for 1931 amounting to $19,433,237 after depreciation, interest, Federal taxes and minority interest, as compared with $21,123,430 in the preceding year.

Earnings last year were equal to $5.55 a share on 3,501,499 shares of capital stock, while in the previous year net profit, excluding $1,138,275 equity in undistributed earnings of affiliated companies, was equal to $6.03 a share.

Earnings figures for 1931 include profit of wholly owned foreign subsidiaries and the income actually received from partially owned subsidiaries or investments at the depreciated value of exchange in each case. Depreciation of foreign exchange affected earnings about $500,000.

Cash declined from $16,922,392 to $16,085,311, but the marketable securities increased from $6,541,472 to $10,132,521. Inventories dropped to $24,507,520 from $26,281,755. Trade-marks, good-will, patents, etc., were carried in the balance sheet at $44,165,745, as compared with $42,323,703 a year before. Earned surplus increased to $24,974,782 from $19,547,541.

RECENT TOBACCO LOSSES IN PORTO RICO

COINCIDENT with the campaign to plant no tobacco for 1932 more than 100 tobacco barns were destroyed by fire up to December 12th, according to reports made to the Insular Police, and published in Porto Rico *Progress* issue of December 31, 1931. About one-third of the fires were in the Caguas district, where thirteen fires were reported during October, ten in November, and seven in December; one fire each was reported in April, August and September.

The value of the barns destroyed ranged from nothing—where no estimate of the loss was given in the police report—up to $4000 for a single barn. The total loss reported from these fires was $54,003, while the total insurance on the destroyed property was reported at $7900. But five of the barns were reported as insured. Eleven fires were reported from Cidra, eight from Barranquitas, and seven from Aguas Buenas. In all there were barns destroyed in fourteen municipalities, according to the report.

Thirty-two seed beds in nine municipalities were destroyed between October and early December. Utado, which reported but two barns burned, had nine seed beds torn up while Aguas Buenas had seven. Juncos reported six seed beds destroyed. Out of the thirty-two beds destroyed but eight reported any value of the loss, the total amounting to $2375. None of the beds were insured.

From April to September five tobacco warehouses were burned, with a reported loss on buildings of $53,000 and a loss on tobacco of $552,000. The warehouses destroyed were insured for $67,000, while the insurance on the tobacco was $646,000. The value of one warehouse destroyed was not reported, while the tobacco burned in the same fire was placed at $150,000, although it was insured for $170,000. The warehouse destroyed was insured for $27,000.

RECEIPTS OF FRENCH TOBACCO MONOPOLY INCREASE

The total receipts of the Autonomous Office (France) during the first ten months of 1931 amounted to francs 5,918,136,016, a decline of 3.7 per cent. from 1930, according to data supplied the Tobacco Division of the Department of Commerce by Assistant Trade Commissioner Eugene A. Masuret. The industrial exploitation of the tobacco monopoly was the source of income for francs 3,735,558,065, or 63.1 per cent. of the total from all sources. Proceeds from tobacco sales amounted to francs 3,709,644,642; and accessory receipts were francs 25,913,423. The tobacco sales receipts increased a corresponding period of 1930 by francs 76,193,892 but the accessory receipts showed a decline of francs 2,340,295. The tobacco monopoly receipts for the month of October also increased over October, 1930, and amounted to francs 393,805,876.

WAITT & BOND EARNINGS

Waitt & Bond, Inc., manufacturers of the "Blackstone" brand, report net income for 1931 of $389,712 after charges, Federal taxes and after deducting $62,020 inventory adjustment, as compared with $418,597 in 1930.

After allowing for dividends on 100,000 shares of Class A stock, net income was equivalent to 94 cents a share on 200,000 shares of Class B stock outstanding.

VOLUME 52 No. 6

THE TOBACCO WORLD

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Always a winner. Now a "2 for 5" sensation in its new package ...Give War Eagle front counter display... for fast sales... rapid repeats . . . and quick profits.

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Get all the facts now on automatic merchandizing.
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FACTORIES: Tampa and Key West, Florida

WOODEN BOXES
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KING BEE CIGARS

WHEN BUYING CIGARS
Remember that Regardless of Price
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WENGLER & MANDELL, INC.
MANUFACTURERS OF
TOM PALMER
WORLD'S GREATEST CIGAR

GENERAL OFFICES
1946-1950 W. MADISON ST
CHICAGO, ILL.

FACTORY
TAMPA, FLORIDA

ADDRESS ALL COMMUNICATIONS TO GENERAL OFFICES

January 19, 1932.

Mr. E. M. Henofer, President,
Wooden Cigar Box Boosters Club,
216 Seaside Avenue,
Atlantic City, N.J.

Dear Sir:

In reply to your inquiry regarding the success we are having with our 5¢ KING BEE Cigar in wooden boxes, I would say that within my memory we have never offered a new package that received as spontaneous and enthusiastic reception as this one.

We have over five thousand KING BEE dealers in the City of Chicago. Many of these dealers are telling us daily how pleased they are with the new KING BEE wooden box. They are telling us how this box has helped sell more KING BEE Cigars to smokers.

The high praise for the wooden box on our part and on the part of our dealers is justified by a very substantial increase in the sale of KING BEE Cigars since they have been packed in wooden boxes.

Very truly yours,

WENGLER & MANDELL, INC.

Ralph R. Graham,
DGS

By Ralph R. Graham
President.

Volume 52 — THE TOBACCO WORLD — Number 6

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
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$2.00 a Year — PHILADELPHIA, MARCH 15, 1932 — Foreign $3.50

Influences of Destructive Buying and Selling On Business Conditions

MR. GRANVILLE P. ROGERS, managing director of the Steel Founders' Society of America, Incorporated, has recently issued to the members of that organization two special letters which we think deserve the widest circulation because they are, in our opinion, entirely constructive and strike at important factors in our present economic situation. These letters, No. 79 and No. 82, which were sent to all steel foundry executives, are reprinted with the deletion only of those paragraphs which deal specifically with problems of the steel industry.

They are well worth the time of any business man to read carefully and thoroughly.

Destructive Buying—Deflationary Purchasing

There are two sides to every question. Much has been said about senseless selling at prices which cannot cover costs and the evils which recoil upon the seller. His guilt, however, must be shared by another element that contributes to these practices—the buyer—who, in some cases, is the instigator.

"Let the Buyer Beware" has a sinister meaning today. Piratical methods of sharp purchasing in many instances are forcing business, labor and capital deeper into the mire of depression. The buyer's own company must go with the others and cut salaries, reduce employment and, perhaps, liquidate. He is "sharping" himself out of a job.

The economics of this statement are simple. There can be no prosperity without profits. Without profits there comes a drop in employment, income and living standards. Where there is no surplus purchasing power there is no market for anything except the strict necessities. The buyer who plays his sources of supply against each other to the last dollar is drawing the life blood of business prosperity.

While we point to the buyer as contributing to this condition, his management is responsible. They dictate his policy. The buyer would, in most cases, prefer to interview one supplier rather than ten. But his orders for competitive bids and lowest prices cause him to go to extremes to make a record and hold his job. *Management should be made to see the dangers of destructive buying—not in vague terms of national welfare, but in personal terms of their own security.*

The vicious circle is everywhere apparent. For example, steel foundries sell to fabricators of automobile materials. Automobiles are sold to the employees of both these supplier concerns. If these employees are laid off or their wages are severely cut because of profitless business, they cannot buy automobiles. Demand for materials drops still lower and the buyers of these constricting wants force still lower prices for limited volume, while the overhead climbs up in reduced operations. Who can survive under these conditions if prolonged?

The buying power of a nation dictates its prosperity. Every inhabitant is a part of its buying power The capitalist, the executive, the white-collar salaried man, and the laborer—all contribute by their satisfied wants toward trade turnover. Their income in excess of their bare necessities brings prosperity. But profitable operation, alone, gives surplus purchasing power.

The buyer is in the saddle today and is using his power for all it is worth—not all buyers, of course, but the majority.

There is much agitation at present about the repeal of anti-trust laws aimed at ruthless selling. But no protection has ever been offered to industry against ruthless buying. The buyer claims no one can be made to sell his product below cost if he doesn't want to do it. The seller claims that unless he shares in present business, dictated by the buyer, he cannot continue to operate or be in business when better conditions come back. Selling, not buying, should rule industry. Without sales, buying is unnecessary. The capacity of markets to absorb products should be the starting point of all planning.

Executives and salesmen should discuss with all customer purchasing agents and executives the grave responsibility they assume by their buying policy and the inevitable results which will come to them personally, their companies, their stockholders and business in general.

Their attention should be called to the men who have been thrown out of work, the salaries that have been cut, the companies who are on the verge of bankruptcy, because of profitless buying which automatically kills the ability of the public to satisfy its wants. These wants are piling up and only need employment and income to be released in a tidal wave of orders.

We must urge all executives to end this orgy of profitless buying and take out of the hands of their purchasing departments the determination of their business policy from one of "beat them down" to one

(Continued on page 15)

IVAR KREUGER A SUICIDE

IVAR KREUGER, head of the Swedish Match Company, and known throughout the world as the "match king", was found dead in his apartment in Paris on Saturday, March 12th, with a bullet through his heart. Police said he had killed himself. Notes which he left for his friends and associates stated that he was tired of life and the financial difficulties in which he had found himself for some months.

Although news of his death was known in Paris before the opening of the New York Stock Exchange in this country, the news was withheld until after the closing of the market here and it is said more than 165,000 shares of Kreuger & Toll stock were dumped upon the New York market.

Mr. Kreuger had loaned millions of dollars to governments throughout the world at a substantial rate of interest and in addition received a monopoly on the match business in those countries which also netted his business interests a substantial profit.

It is said that his interest return from these loans was $25,000,000 a year, while interest payments owed by his firm were only $8,000,000.

An interesting fact about Mr. Kreuger was that while he was head of the largest match manufacturing business in the world, he himself, used an automatic cigarette lighter invented by a one-armed war veteran.

SHERMAN COMPANY CONSOLIDATES

Announcement has been made that the George C. Sherman Company, Incorporated, advertising agency, New York City, has been consolidated with that of Reimers & Whitehill, Incorporated, at 295 Madison Avenue, and will in the future operate under the name of Reimers, Whitehill & Sherman, Incorporated.

Mr. Sherman was formerly president of the Universal Tobacco Machine Company, which was merged with the International Cigar Machinery Company about a year ago.

Mr. Sherman is chairman of the board of the new advertising agency; Carl Reimers is president and treasurer of the company, and A. E. Whitehill, is vice-president.

TAMPA FEBRUARY PRODUCTION LESS

Tampa cigar production for the month of February was 28,037,538 cigars, which is about 2,000,000 less than was manufactured in that city in February, 1931.

However, there was an unusual increase in the higher grades. Class C production was approximately 1,000,000 more cigars than were produced in Tampa in January, while Class D showed an increase of approximately 700,000 over January, and Class A a decrease of 500,000.

Production by classes was as follows:

Class A—13,606,000; Class B—476,000; Class C—10,800,000; Class D—3,084,000, and Class E—71,000.

R. J. REYNOLDS DIVIDEND

Directors of the R. J. Reynolds Tobacco Company have declared the regular quarterly dividends of seventy-five cents a share on the common and common B stocks of the company, payable April 1st to stockholders of record March 18th.

CAPPER-KELLY BILL IN SENATE

THE American Fair Trade Association advises that without a division, without amendment, without recommendation and without waiting for printing of hearings, the Capper-Kelly Fair Trade Bill (S. 97) was ordered reported to the Senate by the Committee at an executive session on March 5.

No vote was taken as to favorable or unfavorable report of the measure, the unanimous decision being made to submit it to the Senate with a summary of the testimony for and against it at the series of hearings concluded on March 2, as indicated in the enclosed clip sheet.

The prompt action of the Committee is a great victory which unquestionably reflects the country-wide demand for relief from present predatory price-cutting conditions and confusion in the law to which the Courts and Federal Trade Commission have repeatedly called the attention of the Congress.

With the bill on the Senate calendar, every friend of the Capper-Kelly Bill should make his interest and influence constantly felt in every possible way until favorable Senate action is secured.

AMERICAN BOX SUPPLY OFFICES MOVED

Effective April 1, the offices of the American Box Supply Company and the Detroit offices of the Autokraft Box Corporation, formerly located at 607 Shelby Street, Detroit, will be moved to 1427 Monroe Avenue, Detroit, where the branch factory of the Autokraft Box Corporation is located.

The offices at 1427 Monroe Street are being renovated and improved at the present time, and the move will probably be completed on or about April 1.

METROPOLITAN LOSES 6,000,000 CIGARETTES

Burglars who forced an entrance through a skylight of the warehouse of the Metropolitan Tobacco Company, distributors, in Yonkers, N. Y., last Tuesday, opened the shipping room door and escaped with approximately 6,000,000 cigarettes and a quantity of razor blades and playing cards.

The cigarettes were packed in 560 cases of 10,000 cigarettes each, and according to officers of the Metropolitan were value at about $25,000.

TOBACCO PRODUCTS CERTIFICATES READY

The Tobacco Products Corporation announced on March 4th that the 6½ per cent. collateral trust debentures of Tobacco Products of New Jersey and the stock certificates of Tobacco Products of Delaware are now available for delivery.

These securities are being issued in connection with the reorganization of Tobacco Products of Virginia. The communication stated that holders of certificates of deposit should turn them in promptly in order to receive the securities to which they are entitled.

ERWIN, WASEY TO DIRECT "SANTA FE"

A. Sensenbrenner Sons, Los Angeles, manufacturers of "Santa Fe" cigars, has appointed Erwin, Wasey & Company, Los Angeles office, to direct its advertising.

Plans are being made for an aggressive advertising and merchandising campaign in various cities west of the Rockies.

"Yes sir, Camels are always FRESH!"

WHEN you call for Camels you get fresh cigarettes — cigarettes that are *made* fresh, then *kept* fresh. No matter where you chance to be — on a railway diner, at a crossroads store, on the desert or by the sea, the Camel Humidor Pack keeps germs, dirt and weather out and holds the precious, natural moisture in.

Awaiting your enjoyment is all the original delight of choice Turkish and mild, sun-ripened Domestic tobaccos expertly blended into the coolest, mildest cigarette you ever touched match to.

With each puff you get the pure, unalloyed fragrance and joy of rare tobaccos, unimpaired by excessive heat. For Camels are never parched or toasted. The Reynolds method of scientifically applying heat guarantees against that.

If you haven't tried Camels lately, switch over to this brand for just one day. After you've known their mildness; after you've compared their smooth, throat-easy manners with the harsh, hot, stale smoke of parched-dry cigarettes, then leave them — if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time

CAMELS

***Made* FRESH — *Kept* FRESH**

"Are you Listenin'?"
R. J. REYNOLDS TOBACCO COMPANY'S
COAST-TO-COAST RADIO PROGRAMS

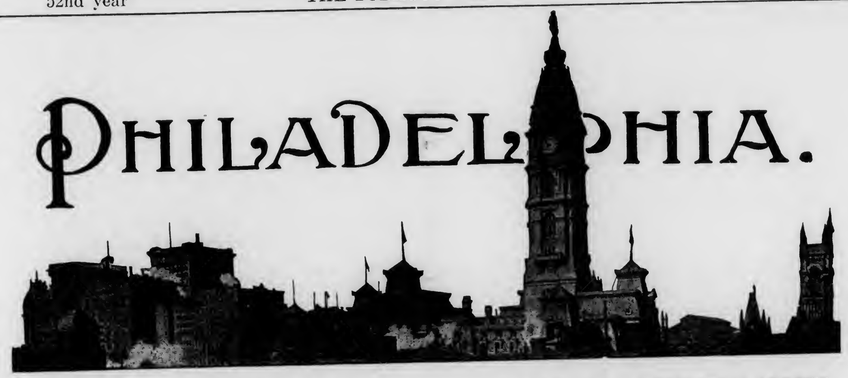
CAMEL QUARTER HOUR
Morton Downey, Tony Wons, and Camel Orchestra, direction Jacques Renard, every night except Sunday, Columbia Broadcasting System

PRINCE ALBERT QUARTER HOUR
Alice Joy, "Old Hunch," and Prince Albert Orchestra, every night except Sunday, National Broadcasting Company Red Network

See radio page of local newspaper for time

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.



BAYUK SALES INCREASING IN CHICAGO

BAYUK'S cigars are continuing to show increased popularity and increased demand in hicago, where they are being distributed by Zolla Brothers, whose organization is being assisted by J. A. Brown, Bayuk territorial man.

McMahan-Leib Company, Anderson, Ind., are keeping up the sale of Bayuk cigars throughout the Anderson, Ind., territory, with which they are entrusted.

Recent visitors at Bayuk Philadelphia headquarters, include Clyde L. Davis, of the Old Dominion Tobacco Company, of Norfolk, Va.; J. A. Kauffman, of W. H. Strause & Company, Johnstown and Altoona, Pa.; J. P. Given, Bayuk Buffalo territorial man, and George Branzell, Virginia territorial man.

The Clarksburg Candy Company, Clarksburg, Va., has taken on Bayuk's cigars for distribution in their territory, and the Monongahela Candy Company, Fairmount, W. Va., has also been entrusted with the distribution and sale of Bayuk's quality cigars for their distr'ct. These accounts will be under the supervision of H. Jacobs, Bayuk's territorial man.

NEW "PANCHO ARANGO" SIZE

Schwab, Davis y Ca., Tampa manufacturers of the "Pancho Arango" brand, are placing a new size of this brand on the market which has all the appearance of proving a big seller.

The new size is designated as the "Empire State," and is Spanish hand made and all long, clear Havana filler, and a wonderfully mild and full flavored smoke, retailing at ten cents.

John Wagner & Sons are Philadelphia distributors for the brand and they expect to receive their first shipment within the next few days.

NEW BURNS PANATELA ARRIVES

The new panatela de luxe size of the "Robert Burns" brand, product of the General Cigar Company, has made its appearance on the Philadelphia market, and is in line with the progressive policies of the General Cigar Company in seeking to give the consumer more for his money, and the best quality possible.

Distribution of the new size in this territory is under the supervision of C. A. Harris, manager of the General Cigar Company's local sales force, and it looks like a winner.

"TALLY HO" AMBER TIPS ARRIVE

THE P. LORILLARD COMPANY have obtained additional distribution on their "Tally Ho" amber-tipped c'garettes and they are now well established in Philadelphia, Baltimore, Washington, Boston and Chicago.

Other markets will be covered just as rapidly as production facilities will permit.

The Amber Tip "Tally Ho" has met with gratifying success in the territories where it has been placed and the results have far exceeded the expectations of the P. Lorillard Company.

TRADE JOTTINGS

Pancho Arango, of Arango y Arango, Tampa, is expected to visit Philadelphia this week.

Mr. Heineman, representing the "Perfecto Garcia" factory was a visitor at Yahn & McDonnell headquarters last week.

The J. and D. Cigar Company, Inc., 500 Market Street, has been sued by receivers of the Louis King Cigar Company, to recover $120 for merchandise.

Gulio Calenzi is operating a small manufacturing establishment at 1021 Kimble Street, where he is manufacturing the "Hot Tip" cigar.

Jack Coffing has joined the sales force of Grabosky Brothers, Incorporated, manufacturers of the "Royalist" brand, and is working in Texas as factory representative on the brand with good results.

Morris Zifferblatt, accompanied by Mrs. Zifferblatt, arrived in New York on Friday after a visit to Havana, where he spent some time inspecting Havana tobaccos for the "Habanello" brand.

Yahn & McDonnell, "Optimo" distributors in this section, are receiving some splendid window panel displays here on that brand. The "Optimo" brand has maintained its popularity far beyond other brands during the current troublous times.

Copr., 1932, The American Tobacco Co.

"The extra protection to my throat"

MIND IF I COLLYER "JUNE"? June gave Park Avenue something to boast about . . . she's one of New York's "400." When June middle-aisled it, dozens of eligible bachelors went back into circulation. Did you see her in WARNER'S "ALEXANDER HAMILTON"? For 4 years she has smoked LUCKIES. That nice statement of hers was not given for money. "Thanks, June Collyer."

"It's the extra things I get from Luckies that make me so enthusiastic. The extra protection to my throat, the extra fine flavor of Lucky Strike's choice tobaccos. And the extra convenience of the little tab which opens the Lucky Cellophane wrapper so easily." June Collyer

"It's toasted"

Your Throat Protection—against irritation—against cough

And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh

TRADE JOTTINGS

Harry Valenchik, well known in the leaf tobacco and cigar manufacturing trade, has become associated with Ben Kane, cigar manufacturer of South Second Street, and has established a nice business on his "El Venco" brand.

Louis Alexander, formerly associated with the George Zifferblatt Company, is operating a cigar stand at 1301 Sansom Street, and manufacturing cigars in the rear of the store. The cigars are being packed in an attractive boite nature box.

Bernard Myers, Washington and Baltimore representative of Geo. Zifferblatt & Company, dropped in at headquarters last week returning to his territory after a brief trip north. He reports "Habanello" business in his territory showing a nice demand.

"Wagner No. 3," a high-grade smoking tobacco manufactured especially for John Wagner & Sons, Dock Street, is meeting with a splendid demand, and sales are increasing. Shipments of this brand are being made regularly as far as the Pacific coast.

Ben Lumley, "Garcia & Vega" and "Carl Upmann" representative, has just returned from a trip through eastern Pennsylvania and New York State and reports a nice volume of business booked on these brands.

Mr. Thompson, manager of the Bellevue-Stratford Hotel cigar stand, is featuring a wonderful display of imported cigars and cigarettes, with good results. Business at the Bellevue-Stratford stand is moving steadily ahead in spite of present economic conditions.

Ben. Hoffman, of the N. Snellenburg & Company cigar department, is featuring an attractive window display of "Garcia & Vega" cigars, which is attracting much favorable comment and producing sales on this quality brand.

Last week Grabosky Brothers, Incorporated, launched an advertising campaign in Philadelphia and Baltimore newspapers on the "Royalist" cigar, and sales are taking an upward swing as a result. As distribution on this brand expands, the advertising campaign may also be extended.

The Louis King Cigar Company, formerly located at 235 South Third Street, is now operating at 825 Walnut Street, under the supervision of Sam Pasquale, and producing their "King Perfecto" and "Havana Shield" brands.

Messrs. Steeley and Knox are operating the business as receivers.

A. Berkowitz and Mr. Dixon, of the Christian Peper Tobacco Company, St. Louis, Mo., were recent visitors in town and report good business on their "Listerine" cigarettes, "Golden State" smoking tobacco, made especially for those who roll their own, and their other high-grade brands of smoking and chewing tobaccos.

PHIL. M. PHULOFAX SAYS SALESMEN MUST START THE BALL ROLLING

"IT'S UP to the salesmen of America to start the ball rolling toward better times," announced Phil. M. Phulofax, D.B.I., well known writer on cigar retailing, who is associated with Bayuk Cigars, Inc., of Philadelphia. "It's an uphill shove, but you'll be doing something for your country just as you did out there at Chateau Thierry.

"Do you realize what a big responsibility we have. We have goods, we have ships and cars to handle them, and we have millions of willing hands. It's up to us salesmen to put them all in motion. We're the fellows who can get things started.

"Every time you make a sale you give a well placed upper-cut to this slugger, Depression. He's had most of us shaking in our boots, but if we hammer away we'll have him down on his back.

"Every time you sell a cigar you boost the farmer who raises the tobacco, the manufacturer who makes his farming machinery, the men he hires to cultivate and harvest.

"Every time you sell a cigar you turn the wheels of the locomotive that transports tobacco from the fields to the warehouse and then to the factory.

"Every time you sell a cigar you keep the machines moving in the factory and the workers punching the clock. You supply jobs for the fellows who make the bands, the labels and the boxes, for the clerks and executives.

"So when you sell cigars you put money into pockets besides your own; you're giving another fellow a job as surely as if you hired him yourself. It's the saleman's day. We can put it across and we're going to."

CONGRESS CIGAR DIVIDEND

Directors of the Congress Cigar Company have declared the regular quarterly dividend of twenty-five cents a share, payable March 30th to stockholders of record March 14th.

The "Bold" invincible size, which has been retailing at seven cents—three for twenty, has been reduced to retail at five cents each, and according to reports, the factory is receiving a nice volume of business on this size at the new price, which would seem to indicate that the smoker knows a bargain when he sees one, and also that he has the money to spend if he can be convinced that he is getting his money's worth.

T. A. Allely, who was formerly district representative for the Union Tobacco Company, has joined the force of the Christian Peper Tobacco Company, St. Louis, and will represent them in this territory, effective March 14th, on their "Listerine" cigarettes and other brands. Yahn & McDonnell are "Listerine" distributors for this territory, and they report a steadily increasing demand on this brand.

A. N. Davis, former superintendent of the Louis King Cigar Company factory branch at 235 South Third Street, has opened a retail stand at 8 North Thirteenth Street, in the Colonial Bank Building, under the firm name of the King David Cigar Manufacturing Company. Cigars are manufactured in the rear of the store and the customer may order any size and shape cigar he desires and it will be made to his order.

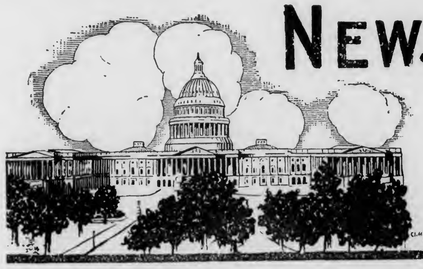
America's best pipe tobacco!

Packed in a handy pocket pouch of heavy foil. Keeps the tobacco better and makes the price lower. Hence . . . 10c

HALF·POUND VACUUM AIR·TIGHT TIN

ONE·POUND HUMIDOR

YOU CAN DEPEND ON A LIGGETT & MYERS PRODUCT



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

NO ADDITIONAL taxes will be imposed upon tobacco products under the new revenue bill introduced in the House of Representatives March 7, it being provided that the manufacturers' excise tax, adopted as a substitute for the various individual taxes, including an increase of one-sixth in the present rates on tobacco and products other than cigars, shall not apply to "any article with respect to which an internal-revenue tax is imposed under existing law."

Manufacturers of tobacco products, however, will be taxed with respect to non-exempt materials used in their production, such as containers, electricity and paper. While sales by manufacturers or producers of products to other manufacturers for further manufacturing are exempt from tax, which is designed only to apply to the completed article, this exemption, it is provided by the bill, does not extend to such sales to manufacturers of exempt articles.

The tax, accordingly, will hit manufacturers of cigar boxes, cigarette cartons and many other products used in the manufacture of tobacco commodities. It applies to all manufacturers and producers except those having sales of less than $20,000 a year, and also applies to importers, the tax being levied not only upon domestic production but upon all imports of taxable articles, in the latter event the tax being computed upon the dutiable value plus any tariff duty which may be imposed. Manufacturers and importers of taxable articles will be required to secure annual licenses at a cost of two dollars a year, but manufacturers and importers of exempt articles will not require licensing.

The measure provides that on sales contracts entered into prior to March 1, 1932, the provisions of which do not permit the addition of a tax to the amount to be paid, the vendee shall be liable for the tax which, however, is to be collected and returned by the vendor. The sales tax provisions will go into effect thirty days after enactment of the bill and will expire June 30, 1934.

Under the bill, the normal individual income tax rates are increased from 1½ to 2 per cent. on the first $4000 of net income from 3 to 4 per cent. on the next $4000 and from 5 to 6 per cent. thereafter. Surtaxes begin at $10,000, as at present, but are increased in all brackets, the maximum being 40 per cent. on income in excess of $100,000, against the present 20 per cent. maximum. Exemptions are reduced from $1500 to $1000 for single persons and from $3500 to $2500 for heads of families, and the allowance for earned income is reduced from 25 to 12½ per cent.

The corporation tax rate is increased from 12 to 13 per cent. and the present allowable credit of $3000 for corporations with net incomes of $25,000 or less is reduced to $2000 for corporations with net incomes not exceeding $10,000.

The changes in the income tax provisions will be effective next year against 1932 income.

The bill also carries taxes upon long-distance telephone calls and telegraph, cable and radio messages of five cents where the charge is between thirty and fifty cents and ten cents where the charge exceeds fifty cents, effective fifteen days after enactment of the measure.

Change in Postal Rates and Laws

Legislation revising fees charged by the Post Office Department for money orders, insurance, collect-on-delivery service and registry, and making it a criminal offense to deposit circulars, statements of account, etc., in letter boxes at houses and apartments without payment of postage, has been passed by the House of Representatives and now goes to the Senate for action.

The measures would become effective July 1, next, and are expected to add many million dollars to the revenue of the postal service.

Fees for the issuance of domestic money orders would run from six cents for orders not exceeding $2.50 to twenty-two cents for orders between $80 and $100, an increase in the rate in all brackets below $60.

The maximum for which insurance could be provided is increased from $100 to $200. Fees for insurance service on mail valued at between $5 and $100 would be increased, with higher fees on more valuable mail, the maximum being thirty-five cents for $200 insurance. In addition, a fee of three cents will be charged for a return receipt if requested at time of mailing and five cents if requested thereafter, and, upon payment of a fee of twenty cents, the sender may secure a receipt showing to whom and when and the address where the parcel was delivered.

Fees for collect-on-delivery service would be materially increased, the maximum being forty-five cents on collections not exceeding $200.

Registration to a maximum of $10,000 is provided, it being stipulated, however, that registration in excess of $1000 will be granted only when such mail is not insured with any commercial or other insurance agency. Fees for indemnity not exceeding $700 are increased, the present rates are retained for indemnities between $700 and $1000, additional fees are provided for indemnities between $1000 and $2000 on a flat basis and between $2000 and $10,000 on a zone basis, the amount charged depending upon the distance the registered matter is carried.

With a view to curbing the practice of depositing statements of account, circulars, sales bills, etc., in letter boxes or other receptacles established for the receipt or delivery of mail, without payment of postage, such action is made a criminal offense punishable by a fine not exceeding $300. This provision would apply only to cities. It is estimated that the postal service loses more than $4,000,000 a year through this practice.

Announcing

TARGET GUMMED CIGARETTE PAPER BOOK

5¢

MR. DEALER—TARGET Gummed Papers have been in demand since we introduced this type of paper in our famous TARGET Cigarette Tobacco.

NOW—you can obtain the genuine TARGET Gummed Cigarette Papers—as packed with TARGET Tobacco—in handy books of 100 papers, to retail at 5 cents. *Gummed, free-burning papers* are being demanded by all roll-your-own smokers.

Be the first to have TARGET Gummed Papers.

Order from your jobber *today*.

BROWN & WILLIAMSON TOBACCO CORP.

Sir Walter Raleigh Smoking Tobacco, Raleigh Cigarettes and Golden Grain Smoking Tobacco are others in the group of well known B & W products.

©1932, B. & W. T. C.

THE NEW TAX MEASURE

THE Ways and Means Committee, after a most laborious task lasting many weeks, has finally completed the new tax measure, which includes a manufacturers' sales tax of 2.25 per cent. The measure was introduced in the House last week as a *non-partisan* bill, with the unqualified approval of the Treasury Department, so that a speedy passage by the House seems to be almost certain.

In a public statement issued by Secretary Mills, he said that "although the measure differs materially from the original recommendations of the Treasury, it had the approval of the Treasury, and would receive its hearty support".

Cigar, Cigarette and Tobacco Taxes Remain Unchanged

With the war emergency tax rates on cigarettes and tobaccos still in force, the Ways and Means Committee was apparently unanimous in the opinion that no further emergency tax should be imposed on top of the still continued war emergency imposts on cigarettes and tobaccos.

And so too, the Committee has seemingly considered it unjust and unwise to impose the 2.25 per cent. sales tax on *cigars*, *cigarettes* or any *manufactured tobaccos* already subject to heavy internal revenue taxes, and accordingly, *all* tobacco products have been exempted from the sales tax.

Some of the Major New Tax Provisions

The Sales Tax—As indicated in our previous bulletins, adequate provisions are contained in the bill against pyramiding the tax, fashioned largely after the Canadian Tax Bill which, as briefly described by Professor Adams, may be stated that "pyramiding of the tax is eliminated by a device of licenses and certificates. If one licensed taxpayer buys from another licensed taxpayer, he notes his certificate number on his order, and this is noted on the sales invoice, and the sale is exempt. When the last licensed taxpayer sells to the unlicensed purchaser, the tax is collected. Only one tax is thus imposed on the process of manufacture."

The sales tax is to become effective 30 days after the enactment of the law while all special excise taxes are to become effective fifteen days thereafter.

All of the new excise taxes, as well as the sales tax, are to terminate on June 30, 1934. It is to be noted that the new income taxes, gift and estate taxes are to be permanent until changed by Congress.

On goods taxable under the new law sold and delivered under contracts made prior to March 1, 1932, the purchaser will be required to pay the new tax.

It is to be noted that electrical energy is included in the sales tax, but deductions of this tax will be permitted by manufacturers using electrical energy for manufacturing purposes from the taxes paid on their manufactured products.

Telegraph, Telephone and Radio Messages are taxed on the basis of 5 cents for messages costing between 31 and 49 cents, and 10 cents for all above that figure.

Stock Transfer Taxes are increased from two to four cents, with a special provision that such tax shall also apply to stock *loaned* for short sales.

Admission Taxes—All admissions to amusements costing twenty-five cents or more, are taxed 10 per cent. The present admission tax is levied only on admissions costing above $3.

Imported Oils—Imported gasoline, oil and crude oil are taxed at the rate of 1 cent per gallon.

Income Taxes

Corporations—The corporation income tax rate would be increased from 12 per cent., as at present to 13 per cent.; exemptions are lowered to corporations of $10,000 incomes, instead of $25,000, and credits are reduced from $3000 to $2000.

Individuals—Normal taxes are increased from the present rate of 1½ per cent. to 2 per cent. on the first $4000; from 3 per cent. to 4 per cent. on the next $4000; and from 5 per cent to 6 per cent. on the remainder.

The exemption for married persons is reduced from $3500 to $2500; and on single persons from $1500 to $1000.

The earned income tax base is reduced from $20,000 to $12,000, and the rate deductible thereon is reduced from 25 per cent. to 12½ per cent.

Surtax rates are also increased and would be graduated to begin at 1 per cent. on income between $10,000 and $12,000, with an additional 1 per cent. on each further $2000 up to $100,000, above which a flat rate of 40 per cent. is imposed.

This compares with the present surtax rates beginning at 1 per cent. on net income between $10,000 and $14,000 and running up to a maximum of 20 per cent. on income in excess of $100,000.

Capital Gains and Losses—The capital gain and loss provision is amended so as to limit stock and bond losses deductible from gross income to actual gains made in similar transactions in the same taxable year.

Estate and Gift Taxes

In the new measure, the rates of estate taxes are doubled, with a maximum rate provided of 40 per cent. on estates in excess of $10,000,000. Estates of $100,000 or under are exempt, the rate starting at 2 per cent. for the first $50,000 *above that* and progressing to the maximum.

All of the proceeds would accrue to the Federal Treasury. Under the present estate tax system, credit up to 80 per cent. is allowed for inheritance levies paid to States that exact such an impost.

Provision is made to take care of shrinkage in estates in periods of deflation, like the present, by allowing them to be valued eighteen months after death.

A new gift tax is levied with a maximum rate of 30 per cent. for gifts exceeding $10,000,000.

Under the present law only gifts made in expectation of death are taxable. In the new bill all gifts of property or money exceeding $50,000 would be taxable at rates graduated from 1½ per cent. to 30 per cent.

Lubricating Oil to be Taxed

Inasmuch as lubricating oil is not now taxed in any of the States, a special tax of 4 cents per gallon is imposed in the new bill.

Opposition to Sales Tax Likely, But Passage Seems Assured

The debate on the new tax measure will undoubtedly develop considerable opposition to the sales tax, but according to close observers, the passage of such tax seems inevitable.

After the bill is introduced, it will be formally referred to the Committee on Ways and Means, who will probably report it back a day or two later with a report recommending its passage.

It is expected that the final vote thereon in the House will be reached in a short time, when the bill will go to the Senate, where it will probably take several weeks before final action.

Through The Years Wooden Boxes Are A Mark Of Brand Prestige

Many brands of established prestige have never been packed in anything but wooden boxes throughout the years since cigar smoking was first introduced in this country. Critical smokers always demand their favorite cigar in a wooden box.

Experienced manufacturers know the value of the porosity of wood as a ripening agent for their product. They are fully aware of the fact that it assures their customers of a mellow and satisfying smoke, when properly conditioned.

The Research Department of AUTOKRAFT BOX CORPORATION has been untiring in its efforts to produce the highest grade package that will enhance tobacco values to the utmost point of satisfaction.

After years of experiment AUTOKRAFT BOX CORPORATION is still of the opinion that wood—and only wood—is the natural container for cigars, and the most beneficial material from which to fabricate a package for such use.

The new AUTOKRAFT wooden cigar box represents every new feature of cigar box manufacture—a package that meets every requirement of the cigar manufacturer.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

COLONEL G. E. WEBB DIES

ON February 25th, Colonel Garland E. Webb, editor of the *Southern Tobacco Journal*, published in Winston-Salem, N. C., for more than thirty years, died suddenly at the home of his son in Charlotte, N. C.

Colonel Webb was probably one of the best known tobacco men in the South, and at the time of his death was secretary of the Winston-Salem Tobacco Board of Trade and supervisor of sales. It was a coincidence that he passed away on the day of the closing of the tobacco market in his city.

Colonel Webb started his career in Durham, N. C., in 1874 when he became associated with the late General Julian S. Carr, who owned an interest in a tobacco plant there.

In 1893 he moved to Winston-Salem and accepted a position with the late A. B. Gorrell, and five years later he established his own business along with W. P. Watts, of Reidsville, at the old Orinoco Warehouse.

After 26 years of auctioneering in that warehouse he went to Brown's warehouse, where he remained as tobacco auctioneer until last fall, when he became supervisor of sales.

He is survived by his widow, two sons, two daughters and a sister. He was seventy-eight years old.

FABER, COE & GREGG DIVIDEND

Faber, Coe & Gregg, importers and distributors of tobacco products, New York City, have declared a quarterly dividend of 50 cents a share on the no-par common stock, payable March 1st to stockholders of record February 20th. The company paid semi-annual distributions of 50 cents in the previous year.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va.	President
CHARLES J. EISENLOHR, Philadelphia, Pa.	Ex-President
JULIUS LICHTENSTEIN, New York, N. Y.	Vice-President
WILLIAM BEST, New York, N. Y.	Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y.	Vice-President
GEORGE H. HUMMELL, New York, N. Y.	Vice-President
H. H. SHELTON, Washington, D. C.	Vice-President
WILLIAM T. REED, Richmond, Va.	Vice-President
HARVEY L. HIRST, Philadelphia, Pa.	Vice-President
ASA LEMLEIN, New York, N. Y.	Treasurer
CHARLES DUSHKIND, New York, N. Y.	Counsel and Managing Director

Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio	President
CHAS. B. WITTROCK, Cincinnati, Ohio	Vice-President
GEO. S. ENGEL, Covington, Ky.	Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio	Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City	President
MILTON RANCK, Lancaster, Pa.	First Vice-President
D. EMIL KLEIN, New York City	Second Vice-President
LEE SAMUELS, New York City	Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J.	President
ALBERT FREEMAN, New York, N. Y.	First Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J.	Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN	President
SAMUEL WASSERMAN	Vice-President

CHAINS AGAIN CUT CIGARETTE PRICES

ON MARCH 3d the United Cigar Stores and the Schulte Cigar Stores in New York City reduced the price on the popular brands of cigarettes to two for a quarter, from two for twenty-seven cents.

The action followed price cutting by independent chains in various parts of the country, principally grocery chains. The prices were lowered in Philadelphia about two weeks previously, and later in certain parts of New England due to competition.

The recurrence of price cutting on cigarettes, in the opinion of interested sources, seriously threatens the profits of retail tobacco chains, from 40 to 60 per cent. of whose business is in cigarettes. Under current manufacturers' prices, the retailers pay approximately 12.08 a package (those who buy direct from the manufacturer), and sales at 12½ cents a package would yield a gross profit of only slightly more than three per cent., which virtually eliminates the possibility of net profit.

It was felt last year when the manufacturers advanced the wholesale price to $6.85 a thousand cigarettes of the popular brands, it would make it impossible for retailers to sell at two packages for a quarter. Meanwhile, however. there have been retail price cuts on cigarettes which formerly sold out of the so-called "popular brand" class. In addition. considerabe competition to popular brand cigarettes is said to have been given by at least one brand which retails for ten cents a package and by the "roll your own" movement.

In tobacco retailing recently, scores of agencies other than the old line retail tobacco chains have sprung up, and a substantial proportion of these sell at cut prices merely to accommodate customers or for theoretical advertising value.

The enhanced appeal of low prices in a period of business depression has left the retail tobacconist without much protection.

REYNOLDS USING COTTON STATIONERY

The R. J. Reynolds Tobacco Company, whose policy is to "live and let live," has announced that its stationery is now being made of cotton cloth, in line with the south's efforts to increase the use of cotton in all forms.

The R. J. Reynolds Tobacco Company manufacture the "Camel" cigarettes, "Prince Albert" smoking tobacco, and other popular brands of smoking and chewing tobaccos which are known and sold all over the world, and are therefore large users of stationery, and also one of the largest manufacturing firms to "go cotton" in this effort to help the southern cotton growers.

The cotton cloth stationery is used exactly like paper, and readily takes ink, typewriting and printing.

EMPLOYMENT IN TOBACCO PLANTS GAINS

The Department of Labor index shows employment in smoking tobacco factories in January was 92 per cent. of normal, as compared with 88.9 per cent. in December, or a gain of 3½ per cent.

Greater activity in the smoking and chewing and snuff industry, however, contrasted with a moderate decline in the employment in cigarette and cigar factories.

Cigar and cigarette employment was shown at 68.5 per cent. of normal in January against 71.8 per cent. of normal in December.

REYNOLDS STOCK APPRECIATES 1413%

THE purchaser of R. J. Reynolds Tobacco Company common stock at the high of $274 in 1913 paid a premium of 67 per cent. over the tangible asset value of $163.59 a share, for the good will of the company. While this may have seemed high, he got a bargain, for since then the assets have been increased from earnings until the original share would now have a book value of $1,622.33.

The single share purchased eighteen years ago at $274 has multiplied to ninety shares ot common B stock worth $3476 and ten shares of common stock worth $670, or a total of $4146. The increase in the value of investment in the eighteen years is 1413 per cent. Present price of the B stock is 140 per cent. over asset value.

Earnings in the eighteen years rose from $2,862,-567 in 1913 to $36,396,817 in 1931, the greatest earnings in the company's history. Cash on hand at the end of 1931 was more than twice all liabilities. The company bought its own stock in the open market in 1929 and 1931, and it now owns about 400.000 shares or 4 per cent. of the outstanding issue, acquired at less than $35 a share.

In all of the years since the dissolution of the American Tobacco trust in 1911, when the Reynolds Tobacco Company became independently owned, no permanent additions to the capital have been made other than through earnings. Preferred stock totaling $20,000,000 was sold to stockholders, and $15,000 000 was borrowed on 6 per cent notes. However, the notes were quickly repaid, and the preferred stock was subsequently retired with a premium of $4,000,000, or 20 per cent.

The number of shares of the company has been increased one hundred fold. Where, at the close of 1913 there were outstanding 100.000 shares of common stock of $100 par, now 1.000,000 shares of common stock of $10 par and 9.000,000 shares of common B stock have been distributed to stockholders in the form of stock dividends, capitalizing for the benefit of the stockholders the tremendous additions to the assets and earning power of the company which took place in this eighteen-year period.

At current prices R. J. Reynolds common B stock is selling for about 140 per cent. more than the net assets applicable to the stock. Obviously, therefore, the price of the stock places a real and substantial value on the goodwill which the company has established in the past eighteen years. At approximately $38 a common B share and $67 a common share, or $380,000.000 for all the common and common B shares, thus goodwill value is appraised at slightly more than $200,000,000.

In eighteen years Reynolds earned $352,180,749, or $3521 a share on the 100,000 common shares outstanding at the beginning of the period, or 1,186.5 per cent. on the 1913 market value. Of this total $222,581,-250, or $2225 has been paid out in dividends. The remainder, as well as approximately $10,000,000 credit from earnings of previous years, has been added to the assets owned by the common stockholders.—*Wall Street Journal.*

P. LORILLARD DIVIDEND

The P. Lorillard Company has declared regular quarterly dividends of thirty cents a share on the common stock, and $1.75 a share on the preferred stock. Both dividends are payable April 1 to stockholders of record March 15.

INFLUENCES OF DESTRUCTIVE BUYING

(*Continued from Page 3*)

of "live and let live." We are in a period where men must forget somewhat their own selfish viewpoint and do everything they can to help the general situation. By so doing they help themselves.

Destructive Selling—Service Without a Profit Is a Menace

Special Letter No. 79, on the subject of *Destructive Buying,* presented the thoughts of many steel foundry executives on current demoralizing conditions as contributed to by destructive buying.

There is another factor equally important, namely *Destructive Selling.* One contributes to the other. It is a vicious circle. The senseless selling of castings below cost or at a price just to get the order is as great an evil and breeds sharp buying. Those who pursue such tactics are creating a condition that will soon consume themselves unless corrective measures are applied.

There is nothing new to be said about profitless sales, but much that can be repeated. The only answer to the problem lies in a greater recognition that service without profit is a menace. It consumes the natural resources of the country, it consumes the brain, the time, the health of our executives; it consumes the capital investments of many people, and it produces unemployment, want, bankruptcy, and a deeper depression.

It is unfortunate we have no compulsory power by which we can outlaw profitless sales.

This country was built upon freedom of action. It has prospered. It will continue to progress. Only insofar as business bases individual action on sound procedure will business prosper.

Our Government has created the Reconstruction Finance Corporation. It plans to liberalize the Federal Reserve policy, make money freer and easier, instill confidence in and make our banking system more secure. It is endeavoring to bring hoarded dollars into circulation. It is studying legislation to enable industries to work more closely together for the common good, but in all these things its action is limited for it cannot infringe upon the rights and privileges of the individuals.

All these things should restore business confidence —they are helpful—they should bring renewed courage to every business man, but they will be of little or no avail unless the individual does his part.

The responsibility is squarely on the shoulders of industry and sane selling at prices which insure a reasonable profit must return before we can progress or these governmental measures become fully effective.

Now is the time for intelligent action. To delay is to court further disaster.

Managements should consider the serious results of no-profit sales to themselves, their industry, and to general business recovery. It is better to suffer low production a little longer with recovery probable than to exterminate each other.

Many people are affected, some of whom find themselves earning less than enough to live upon. The vicious circle is complete and the good citizens rally to make contributions to relief funds to relieve misery that started with the selling and buying of goods at no profit.

"LUCKY STRIKE" PROGRAM TO FEATURE POLITICAL FORUM

UPON the invitation of The American Tobacco Company, Senator Simeon D. Fess, chairman of the Republican National Committee, and Mr. Jouett Shouse, chairman of the Executive Committee of the Democratic National Committee, have accepted an offer to utilize a portion of the "Lucky Strike" 'radio hour on Tuesday and Thursday evenings, respectively, during the coming weeks, for the presentation to the American people of the points of view of the two historic political parties.

This national political forum began on Tuesday evening, March 1, at 10 P. M. Eastern Standard Time over a national radio hookup. Senator Fess on behalf of the Republican party made the opening address. On Thursday evening, March 3, Mr. Shouse spoke on behalf of the Democratic party.

It is contemplated that an outstanding leader of each of the parties will speak on Tuesday and Thursday of each succeeding week.

Through this medium it is hoped that the American people will have, in advance of the meeting of the political conventions in June, an opportunity to listen to the voices of the principal leaders of both parties, and thus will acquire directly an understanding of their viewpoints concerning the various questions now before the people.

The attitude of The American Tobacco Company is, of course, entirely non-partisan, and its relationship to the national forum thus planned is solely that of placing a portion of its "Lucky Strike" hour at the disposal of the respective National Committees of the two great political parties. The naming of the speakers and the contents of the programs will be wholly under the management and control of the National Committees of the respective parties.

As a rule, the political parties in presidential years take time of their own over the radio, but this is ordinarily done only after the nominations have been made and the presidential campaign is well under way. This political forum suggested by The American Tobacco Company and now to be utilized by the two parties is in the nature of a pre-convention or pre-campaign discussion, designed not merely to familiarize the public with the problems which will come to a focus in the framing of the platforms of the national parties, but also to make the public better acquainted with the personalities of the outstanding political figures of the country

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NEW DIRECTORS FOR HELME

W. L. Clark and James C. Flynn were elected directors of the George W. Helme Company, snuff manufacturers, at the annual meeting last week. J. H. Holmes retires as a director. Other directors were re-elected.

IMPERIAL TOBACCO DIVIDEND

The Imperial Tobacco Company of Canada has declared a final dividend of 17½ cents a share on the $5 par value common stock, payable march 31st to holders of record March 2d.

DIAMOND MATCH STATEMENT

The Diamond Match Company reports total assets of $42,374,285 as of December 31st, compared with $35,997,438 the previous year. Inventory and current assets were $33,014,648 against current liabilities of $1,475,646.

"CHESTERFIELD" EXHIBITION AN EDUCATIONAL FAVORITE

HELLO? Hello? 'Chesterfield' cigarette Exhibition? This is Professer Blank of Southside University. Will tomorrow morning be all right for me to bring a student group down to your exhibit? Thank you. We'll be there at 10 o'clock."

B. H. McCaslin, manager of the "Chesterfield" Cigarette Exhibition which the Liggett & Myers Tobacco Company, Inc., opened last June in the ground floor of the Railway Exchange Building, Jackson and Michigan Boulevards, Chicago, makes a note of the engagement for the morrow and starts away from the telephone when he is called again, this time by the secretary of a women's club in one of the suburbs which is to attend a matinee on Saturday and would like to devote the morning to an inspection of the "Chesterfield" exhibit. This engagement is duly recorded also for the exhibition cigarette factory has become one of the educational sights of Chicago and, although it is open to the public daily, it has become the regular thing in the last year for student organizations and clubs to pay special visits to the exhibition as to the art galleries and museums of the city.

As many as 3000 persons frequently pass along the chromium-railed aisles behind which two cigarette-making machines and a packing machine steadily turn out and package "Chesterfield" more swiftly than the eye can follow, and their questions always receive the intelligent attention of the white-uniformed men and women in attendance on the machines. However, the tobacco company is always glad to give special attention to student bodies and club members who come in groups and who are willing to time their visits when the exhibit is least likely to be crowded.

The manager, or one of his assistants, takes these visitors inside the railing, explains the workings of the machines and answers questions as to the origin of the tobacco in the "Chesterfield" blend, how and where it is grown and gathered, how it is cured and how made ready for manufacture.

Because these questions are asked by almost every visitor to the exhibit, there have recently been put in place on the west wall a group of three panels, each about six feet in width by twelve feet in height. Each displays a different type of tobacco used in the "Chesterfield" blend and each portrays a scene of tobacco production, curing or marketing. Behind glass inserts in each panel appear actual leaves of Burley, Turkish and Bright Leaf, some of the tobaccos used in the "Chesterfield" blend.

The backgrounds are beautifully colored maps of the districts in which these tobaccos originate which blend into painted scenes of tobacco-handling before which, on miniature stages, small figures and stage settings add to the appearance of reality. In one panel three tobacco buyers—the figures are about two feet high—are examining piles of tobacco laid out upon the floor of a warehouse where tobacco auctions are held. In another, showing the waterfront at Smyrna, native laborers are packing bales of Turkish leaves into a lugger for transport to the freighter that lies at anchor in the harbor. The third shows a curing-barn from which field hands are carrying the "sticks" of domestic leaves to a waiting cart. Stage settings, figures and scenery so blend with one another that one visitor exclaimed:

"What is this? An annex to the Art Museum"?

The perfection of the work justifies such comment for each picture, each figure and each piece of stage setting is absolutely authentic in portrayal and is drawn to scale. Crowds stand before these panels all day long. That portraying Turkish tobacco attracts probably the most attention and requires repeated explanation of the part which Turkish tobacco plays in giving "Chesterfields" the better taste which distinguishes them from all other cigarettes.

WENGLER & MANDELL INAUGURATE NEW DISTRIBUTION PLAN IN CHICAGO

ON MARCH 10, Wengler & Mandell, producers of "Tom Palmer" and "King Bee' cigars, inaugurated a new distribution plan that is perhaps the most modern in the cigar industry. This new plan is a sequel to an advertising campaign recently conducted in the *Chicago Tribune*. It will allow the thousands of retailers who have expressed the desire, to secure the Wengler & Mandell brands from their regular jobber source of supply.

The new plan places the distribution of Wengler & Mandell cigars in the hands of twenty Chicago jobbers. These jobbers, who together serve over 30,000 dealers in the city of Chicago, will operate under the protection of a policy that guarantees abstinence of direct selling to retailers by the Wengler & Mandell Company. The trained sales staff of Wengler & Mandell that formerly was in direct competition with jobbers will henceforth work in the interest of jobbers. This staff of trained cigar salesmen will work with the more than 150 salesmen employed by the Chicago jobbers

A pre-study of conditions made by Wengler & Mandell reveals that the new plan just inaugurated will be of decided benefit to retailers. With the Wengler & Mandell brands in the hands of jobbers, retailers will be able to buy these brands in combination with other tobacco articles, thereby effecting a virtual reduction in the amount of stock needed on dealers' shelves. Thus will the dealer investment in Wengler & Mandell brands be reduced and turn-over automatically increased. Through the affecting of benefits of this kind and other specific economies, "King Bee" and "Tom Palmer" Cigars will be placed on the shelves of retailers who have wanted to carry these two popular brands but who have heretofore been unable to do so.

There has been no reduction in prices, but there will be a further announcement of plans that include merchandising and advertising in keeping with the operation of this new distribution plan.

FRANK FALLON IN HOSPITAL

Frank Fallon, well known throughout this country and Canada as representative of the "Partagas" imported Havana cigar and also sales director of E. A. Kline & Company, manufacturer of the "Medalist" brand, is confined to the Midtown Hospital in New York City, where he underwent an operation for the removal of his appendix on March 2d.

Mr. Fallon had expected to sail for Havana on that day but suffered sudden pains in his abdomen the night before and his physician diagnosed his trouble as appendicitis and he was rushed to the hospital and operated on the following day.

His condition is reported as entirely favorable and he is expected to be able to leave the hospital within the next week.

REYNOLDS DIVIDEND

The R. J. Reynolds Tobacco Company, has declared regular quarterly dividends of seventy-five cents a share on the common and common B stocks, both payable April 1 to stockholders of record March 18.

TO FORWARD BUSINESS WITH MERCHANDISING FACTS

PLANS have been completed whereby, without additional expense to the government, two leading national business groups will join forces with the United States Commerce Department in a far-reaching movement to help business men of the country to combat their problems through the more widespread application of practical merchandising facts, Frederick M. Feiker, Director of the Bureau of Foreign and Domestic Commerce, announced today.

The co-operative program worked out between the Department of Commerce, the United States Chamber of Commerce, and the National Association of Commercial Organization Secretaries, representing the interests of chambers of commerce throughout the country, is designed to enable these local organizations to equip themselves with an established marketing information service for extension to individual merchants and manufacturers in their communities.

Over a number of years, Mr. Feiker pointed out, the Commerce Department in response to the requests of individual business men, organized industries and trades, has built up a clearing house of information as to new marketing methods, practices and ideas drawn from both scientific research and the experience of successful going concerns.

The great scope and increasing volume of the demand for such information is evidenced by the fact that the Department alone extended over a half million such services on direct request during 1930, and nearly three-quarters of a million in 1931.

Recognizing the favorable position of local commercial organizations for giving direct aid to the business interests of their vicinity, the Commerce Department is preparing to make available to such organizations the means of servicing practical marketing inquiries at first hand. Effective operation of the plan is expected to mean that the demands of business men in every section of the country for a quick and dependable merchandising information service may be largely met through local chambers of commerce, with the Department backing up these groups from the resources already available in its files.

Without extension of existing facilities or added expense it is thus anticipated that the rapidly expanding requirements of the nation's millions of business concerns for such individual service will be successfully supplied.

In carrying out the program, the co-operating chambers of commerce will set up files of current merchandising information modeled upon those now maintained in the District Offices of the Bureau of Foreign and Domestic Commerce. This material will be available for consultation by local merchants and manufacturers as an aid in solving their practical marketing difficulties.

The facts made available by the Commerce Department will also be used to increase the effectiveness of local speakers in group meetings by providing the best references and illustrations for use in the discussion of community trade problems. Particular effort will be made to aid local trade groups in instituting simple cost and operations studies to suit their special needs.

Extension to the local communities of the model store exhibit idea, which has already assisted thousands of merchants to profitable modernization of their store arrangement and display, is also anticipated as the program acquires headway.

The co-operative merchandising service plan was developed by the Marketing Service Division of the Commerce Department, working in close touch with the National Association of Commercial Organization Secretaries and the United States Chamber of Commerce.

The plan in its practical workings has been tried out in recent months with a selected group of local chambers of commerce which have reported the advantageous results attending its use.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

NINE CIGARETTES DAILY AVERAGE

AVERAGE smokers reached for just about nine cigarettes a day last year, statistics indicate. This calculation includes the occasional smokers who puff on cigarettes only now and then as well as those who smoke several times the average number each day. Many who once smoked tobacco in other forms are now reaching for cigarettes because of the removal of impurities through toasting which includes the use of ultra violet rays, and it is estimated by authorities in the industry that there are approximately 35,000,000 cigarette smokers in the United States. According to figures made public by the United States Bureau of Internal Revenue, total cigarette production in this country in 1931 amounted to 113,449,049,000. The average number of cigarettes smoked by each of the 35,000,000, therefore, is approximately 3240 a year or 162 packages of twenty cigarettes each. This amounts to not quite nine cigarettes a day for the average smoker.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

GREAT SOUTHERN CIGAR:—45,994. For cigars. January 18, 1932. M. Trelles & Company, New Orleans, La.

GUNSTON HALL:—45,996. For all tobacco products. March 1, 1932. George Schlegel, Inc., New York, N. Y.

CRANLYN:—45,997. For all tobacco products. March 1, 1932. George Schlegel, Inc., New York, N. Y.

CRIMSON COACH:—45,998. For all tobacco products. March 2, 1932. Crimson Coach Products Company, Ft. Wayne, Ind.

RONDAX:—46,000. For all tobacco products. February 9, 1932. Consolidated Litho. Corp., Brooklyn, N. Y. (By consent of G. H. P. Cigar Co., Inc., Philadelphia, Pa.)

TRANSFERS

YUM YUM:—2,225 (Legal Protective Association). For cigars. Registered April 29, 1886, by George Schlegel, New York, N. Y. Transferred to Consolidated Litho. Corp., Brooklyn, N. Y., February 25, 1932.

AINTREE:—45,872 (T. M. A.). For all tobacco products. Registered March 31, 1931, by George Schlegel, Inc., New York, N. Y. Transferred to Magidson Cigar Co., Milwaukee, Wis., February 25, 1932.

MANUEL FERNANDEZ:—28,466 (Tobacco Leaf). Registered October 15, 1904, and **29,453** (U. S. Tobacco Journal), registered October 17, 1904, both for cigars, cigarettes, cheroots and tobacco, by American Litho. Co., New York, N. Y. Transferred to George Schlegel, Inc., New York, N. Y., and re-transferred to Marcelino Perez & Company, Tampa, Fla., March 3, 1932.

OZARK TRAIL:—31,041 (Tobacco World). For cigars. Registered July 13, 1915, by Stevens Cigar Co., Dixon, Mo. Transferred to E. T. Behrens, Oakside, Mo., February 9, 1932.

EL PROVENZA:—32,490 (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered December 31, 1906, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Through mesne transfers acquired by Benjamin Kane, Philadelphia, Pa., February 24, 1932.

AMERICAN CIGAR DEAL FAVORED

THE minority stockholders' committee of the American Cigar Company, in a communication issued yesterday, expresses approval of American Tobacco Company's announced plan for purchasing certain assets and leasing other assets of the cigar company. The plan, which is estimated to produce $10 per share on American Cigar common after payments of the regular $6 preferred dividends, meets with the committee's approval, the letter states and proxies of the minority stockholders are requested to vote in favor of the proposals at the special meeting to be held March 15th.

The committee consists of Robert Lehman, of Lehman Brothers; Maurice Newton, Hallgarten & Company; John P. Fay, Farnum, Winter & Company, and Henry F. Wolff, counsel.

Following the announcement of the proposed deal between the American Tobacco Company and the American Cigar Company, the Curb Exchange recorded a sale on February 25th of 5000 shares of American Cigar Company stock at $150 a share.

"DUTCH MASTERS" CIGARS LAUNCH AD CAMPAIGNS

IN MID-FEBRUARY, "Dutch Masters" Cigars started new advertising in a large number of cities. It is understood that some 150 newspapers and over twenty radio stations are being used in various sections of the country.

L. H. Hartman Company, New York agency handling this advertising, is not content with a single newspaper campaign, but is using three different campaigns simultaneously in different territories as a test of copy appeals. Likewise, separate radio programs are being employed. One of these is a series of amusing adventures, on the air, by the three stars, Phil Ohman and Victor Arden, famous piano team, and Frank Luther, "the golden-voiced tenor." Announcement is made of a $2000 word contest.

One of the newspaper campaigns is in the form of a word contest, with $2000 in cash prizes for those making the most words out of the letters in "Dutch Masters." Contestants accompany their list with five bands from "Dutch Masters" cigars. In all three campaigns figures of Dutchmen appear and this ties up with the big cut-out displayed in retail stores.

Consolidated Cigar Corporation has always backed its brands with strong advertising, but this early season "Dutch Masters" drive is probably the biggest amount of publicity put behind a Class C cigar in any local territory in the United States. Increased sales are said to confirm the wisdom of this progressive policy.

PALEY REGAINS CONTROL OF COLUMBIA

An announcement last week by the Columbia Broadcasting System stated that a group headed by William Paley, president of the Columbia System had repurchased the 50 per cent. of its stock formerly held by the Paramount-Publix Corporation.

This step brings the ownership of the broadcasting system completely into the hands of Mr. Paley and his management, with no interests represented external to the company.

Mr. Paley was formerly associated with the Congress Cigar Company.

NEW DIRECTORS FOR LORILLARD COMPANY

At the meeting of stockhoders of the P. Lorillard Company, held on March 8th, in Jersey City, N. J., minority stockhoders of the company, who blocked the adoption of a revised bonus plan through court action, won representation on the board of directors.

The new directors are John J. Driscoll, William S. Gray, Jr., and Jacquelin P. Taylor. Other members of the board were re-elected.

PENN TOBACCO ACCOUNT TO HOYT

The Penn Tobacco Company, Wilkes-Barre, Pa., has appointed the Charles W. Hoyt Company, Inc., advertising agency, New York, to direct the advertising of its Pocono tobacco division. This division is marketing a new tobacco which is sold in conjunction with the company's cigarette rolling machine.

PHILLIP MORRIS STOCK ADMITTED

Phillip Morris Consolidated, Inc., new stock of $10 par value, has been admitted to trading privileges on the New York Curb Exchange on a when, as and if issued basis.

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VOLUME 52 No. 7

THE TOBACCO WORLD

Through The Years Wooden Boxes Are A Mark Of Brand Prestige

Many brands of established prestige have never been packed in anything but wooden boxes throughout the years since cigar smoking was first introduced in this country. Critical smokers always demand their favorite cigar in a wooden box.

Experienced manufacturers know the value of the porosity of wood as a ripening agent for their product. They are fully aware of the fact that it assures their customers of a mellow and satisfying smoke, when properly conditioned.

The Research Department of **AUTOKRAFT BOX CORPORATION** has been untiring in its efforts to produce the highest grade package that will enhance tobacco values to the utmost point of satisfaction.

After years of experiment **AUTOKRAFT BOX CORPORATION** is still of the opinion that wood—and only wood—is the natural container for cigars, and the most beneficial material from which to fabricate a package for such use.

The new **AUTOKRAFT** wooden cigar box represents every new feature of cigar box manufacture—a package that meets every requirement of the cigar manufacturer.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA, OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

RETAILERS WANT WOODEN BOXES

Retailers prefer Wooden Boxes not only because they are natural salesmen but because they are also a natural ripening and mellowing agent for the cigars themselves.

And they know that there is a valuable appeal to the smoker in the pleasant and aromatic fragrance imparted to cigars only by the Wooden Box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 — Number 7

THE TOBACCO WORLD

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
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$2.00 a Year — PHILADELPHIA, APRIL 1, 1932 — Foreign $3.50

EDITORIAL COMMENT

THE decline in cigar withdrawals in the month of February was not unexpected, but the total decrease between February, 1920 and February, 1932, something more than 246,000,000, is serious, in view of the fact that Februaries are not peak months.

Considering other industries our observation is that taken as a whole the cigar industry has done fairly well in the matter of profits. But the steady dwindling of cigar consumption must sooner or later vitally affect profits. There is a limit to which economies can be carried, in order to maintain earnings, without affecting the quality of the merchandise.

We do not believe that the unhappy business condition entirely explains the decrease in cigar consumption, and if the added cost of the transparent wrapper has been entirely offset by savings in other manufacturing costs, it is obvious that such savings have resulted in a cheapening of supplies or materials, or both, somewhere along the line.

The repeated answer to the question of the continued use of the lucid covering (which the consumer can't smoke or eat) is, "The public demands it!" But just who is responsible for the enthusiasm on the part of the smoker?

Even if it can be proven that the dazzling tube which definitely costs real money, has added nothing to the cost of the cigar, this expense has had to be absorbed in some way in order to sell merchandise at a profit.

The more profitable classes and sizes of cigars are going back, and still further back. The crowding of the output of the cigar industry into Class A must eventually lead to a reaction. It looks very much as if at the present time, however, the cigar business is a battle to see who can make and sell cigars to retail at 5 cents and less, and still show a real profit at the end of the year.

For the edification of interested readers we insert at this point the cigar withdrawals for Februaries from 1920 to 1932 inclusive.

Total Withdrawals for Previous Februaries

1920	593,832,200	1927	441,695,730
1921	496,724,482	1928	453,605,097
1922	447,225,986	1929	437,476,207
1923	507,266,094	1930	426,521,773
1924	498,796,313	1931	362,838,747
1925	451,562,278	1932	347,728,648
1926	451,204,147		

We have taken 1920 as the peak year for our withdrawals and while these figures are abnormal by comparison with other years, on a basis of population increase they are not unfair. But so far as that is concerned, almost any year could be taken for comparative purposes and the fact remains that while population increases the consumption of cigars declines.

What is responsible for the indifference of the smoker to the pleasures of the cigar? Are the cigar manufacturers satisfied that it is entirely due to economic distress?

Is the distributor or jobber responsible? Has the retailer failed in his most important contact with the consumer?

And where is there reflected in the statistics any unusual increase in cigar sales that might be properly credited to the investments made by cigar manufacturers in radio, magazine and newspaper advertising?

Our observation is that cigar manufacturers are experiencing temporary gains on one or more of their brands at the expense either of other brands which they also produce, or at the expense of their competitors' brands. And yet the monthly total of consumption continues to decrease.

We have questioned owners and clerks in large cities and small towns, and we have asked chain store employees as to their opinion of the cause of the unusual slump in cigar sales. When the answers are sifted the general conclusion is that the non-porous wrapper makes all cigars look alike, and for the most part taste alike. And the smoker says, "Therefore why spend more than a nickel for a cigar?"

And if the increasing trend toward nickel merchandise cannot hold up cigar consumption, what does the future hold in the cigar business if an increasing number of smokers continue to refuse to buy the higher priced and finer cigar sizes?

When you open a box of cigars today there is no fragrance of tobacco, or the aromatic bouquet of Spanish cedar. There is nothing to arouse the sense of smell or to create the mental reaction that comes from inhaling the aroma of cigars in their natural wrappers and packed in Spanish cedar boxes.

Unless there is a radical change in the present inclinations of cigar smokers, it looks very much as if the sale of the finer grades of cigars would be confined to a decreasing number of connoisseurs. And there is

(Continued on page 15)

PHILADELPHIA.

LUMLEY TO REPRESENT SOMMERFELD COMPANY

BENJAMIN C. J. LUMLEY has announced that he has severed his connection with Carl Upmann, Inc., and has taken on the representation of the F. W. Sommerfeld Cigar Company, of Miami, Fla., and will represent that company in the future on their "Dulce" and "Verdi" brands in his old territory, which comprises Eastern Pennsylvania, New York State, except New York City, and south to Richmond, Va.

The "Monticello" cigar, a brand owned by John Wagner & Sons, prominent distributors located at 233 Dock Street, this city, will in the future be manufactured by the Sommerfeld Company of the same quality of tobacco and in the same sizes and shapes, as the "Carl Upmann."

The "Monticello" will take the place in the Wagner line held by the "Carl Upmann" brand, which was formerly distributed in this territory by John Wagner & Sons.

Up to the present time this change has been meeting with entire success and it is possible that distribution on the "Monticello" may in the future be extended to other territories under the supervision of Mr. Lumley.

Mr. Lumley, of course, continues to represent the "Garcia y Vega" brand in his old territory as formerly, and this brand has been showing a splendid increase in demand in recent months.

A. N. Davis, who is operating a retail store and cigar manufactory at 3 N. Thirteenth Street, under the firm name of the King David Cigar Company, is doing a splendid business on his "King David" brand, retailing at five cents each and up. Mr. Davis also has the equipment to print your own name or his brand name on the cellophane wrappers used for cigars, and will also do this printing for any outside manufacturer who wishes it.

Yahn & McDonnell are offering a high-grade cigarette tobacco for those who roll their own, under their own label "As You Like It." The tobacco is blended of high-grade Turkish and domestic tobaccos and is packed in two-ounce containers retailing at twenty cents.

H. S. ROTHSCHILD HEADS BAYUK CIGARS

ON March 28th the following statement was issued by Mr. Samuel Bayuk, chairman of the board of Bayuk Cigars, Incorporated.

"Mr. Harry S. Rothschild has today been elected president of Bayuk Cigars, Incorporated.

"The Board of Directors and officers of the Company take great pleasure in announcing this important addition of strength to the management of the Company.

"Mr. Harvey L. Hirst becomes Treasurer of the Company."

Milton Wolf, Wisconsin territorial manager of Bayuk Cigars, Incorporated, has been on a recent trip through his territory and reports jobbers increasing distribution on Bayuk cigars in their allotted territories.

The Auburn Tobacco Company, Auburn, New York, is receiving assistance from E. T. Clifford, Bayuk salesman, in promoting the sale of Bayuk cigars in that district.

Pratt-Mallory, Sioux City, Ia., are cooperating with Roy D. Harris, Bayuk territorial manager, in expanding the sale for Bayuk brands in that territory.

The E. C. Hall Company, Brockton, Mass., are capitalizing on the saleability of Bayuk cigars in that section and have been receiving assistance from W. K. Wilsford, who was engaged in promoting distribution.

Sometime Sunday night burglars forced an entrance to the Yahn & McDonnell offices at 617 Chestnut Street, but practically nothing was stolen. Entrance was gained through the skylight of the building and when the thieves endeavored to reach the first floor where the cigar humidor is located they set off the burglar alarm, and despite the fact that detectives were on the scene in a very few minutes after the alarm was sounded, the thieves escaped.

Ben Lumley returned last week from his first trip to Washington and Baltimore representing the Sommerfeld Cigar Company on their "Dulce" and "Verdi" brands and reports a highly successful trip and a splendid number of placements on his new brands.

O K - AMERICA !
LUCKIES are kind to your throat... I KNOW... I've smoked them for eleven years
Walter Winchell
More for your money than in any other cigarette!
You get many extras in LUCKY STRIKE as a result of that famous and exclusive "TOASTING" Process. Extra Goodness—forced in when certain harsh irritants are forced out. Extra mildness, mellow-mildness—resulting from the purging and purifying of every tobacco leaf. Extra Deliciousness—from the world's choicest tobaccos—the Cream of many Crops. Extra Mellowness—from the use of modern Ultra Violet Rays.
"It's toasted"
Your Throat Protection—against irritation—against cough
And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh
LUCKY STRIKE
"IT'S TOASTED"
Copr., 1932, The American Tobacco Co.
O. K. AMERICA
TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N.B.C. networks.

RECORD EARNINGS FOR AMERICAN TOBACCO

ON MARCH 18th the American Tobacco Company released its report of earnings for the year 1931, disclosing new record net earnings of $46,229,527.47 after deducting all expenses of whatsoever character, as well as depreciation, obsolescence and taxes.

In a letter forwarded to stockholders, George W. Hill, president of the company, states: "You will, I am sure, be pleased to know that the year 1931 has witnessed a still further increase in our percentage of the total cigarette business of the United States.

"For 1931,—a year of generally reduced tax receipts,—the Federal tax payments of the American Tobacco Company for the benefit of the American public will amount to the unprecedented sum of over $158,000,000,—a high record, I believe, for any corporation or enterprise. For every dollar of profit our company earned, we earned, in addition, nearly $3.50 for the United States Government. At the same time, our company has been mindful of the difficulties which have confronted the tobacco grower through the collapse of the export market, by substantially enlarging its purchases of leaf tobacco, and thereby increasing the American demand. Moreover, as a result of our progressive commercial policies, there has not only been no reduction by our company in employment or wages, but we have been able to give employment, at full wages, to a greater number of employees.

"These results are not accidental. They have been obtained only by virtue of the closest application on the part of your management, and through the wholehearted co-operation of our entire organization, which has given its fullest efforts in our support. I feel that you will concur with me in the belief that these results constitute a conclusive demonstration of the value of the policies of our company toward its personnel, and a signal proof of their effectiveness."

The letter ended with an appeal for support of the management by the transmittal of proxies to be voted at the annual meeting on April 6th.

The treasurer's report to the stockholders, which accompanied the letter, follows:

The treasurer respectfully submits the following financial report of your company, for the year ended December 31, 1931:

As required by the Trust Indenture of October 20, 1904, the Guaranty Trust Company of New York, Trustee, purchased and cancelled 6 per cent. gold bonds of this company of the par value of $8000, the cost of same being $9342.50. The difference between par value and cost of the bonds so purchased has been written off as an expense.

By order of the board of directors 4 per cent. gold bonds of the par value of $36,000 have been purchased and cancelled, the cost of same being $28,302. The difference between par value and cost of the bonds so purchased has been taken up as income.

The statement of earnings includes only the dividends received from those companies a part only of whose stock is owned by this company; but it includes the total net profits for the year of domestic companies all of whose stock is owned by, or held in trust for, this company.

The net earnings, after deducting depreciation and all charges and expenses for management, taxes,* including provision for federal income tax, etc., were		$46,229,527.47
Add:—		
Discount on 4% Gold Bonds, less premium on 6% Gold Bonds, purchased and cancelled		6,355.50
		$46,235,882.97
Deduct:—		
Interest on 6% Gold Bonds	$ 11,063.83	
Interest on 4% Gold Bonds	35,078.00	
4 Quarterly Dividends of $1.50 each on 6% Cumulative Preferred Stock ($100 par value)	3,161,982.00	3,208,123.83
Net, applicable to Surplus Account		$ 43,027,759.14
Surplus as per statement Dec. 31, 1930		91,865,672.64
		$134,893,431.78
Deduct:—		
Cash dividends on Common Stock and Common Stock B ($25 par value):		
March 2, $1.25 a share and $1.00 a share extra	$10,667,002.50	
June 1, $1.25 a share	5,926,121.25	
Sept. 1, $1.25 a share	5,926,126.25	
Dec. 1, $1.25 a share	5,926,131.25	28,445,381.25
Surplus Dec. 31, 1931		$106,448,050.53

The Balance Sheet is herewith submitted.

JAMES B. HARVIE, *Treasurer.*

*Before The American Tobacco Company received its net earnings, over $158,000,000 had been paid to the U. S. Government for taxes and duties applicable to business done in 1931, and this amount of governmental tax is included in these deductions.

FINANCIAL STATEMENT

December 31, 1931

ASSETS:

Real Estate, Machinery, Fixtures, etc., at cost, less reserves for depreciation and obsolescence	$18,875,348.86	
Leaf Tobacco, Manufactured Stock, Operating Supplies, etc., at cost	98,137,108.65	
Stocks and Bonds	64,003,692.44	
Cash	26,810,061.32	
Bills Receivable	2,683,430.32	
Accounts Receivable	12,469,856.24	
Prepaid Insurance, etc.	211,849.19	
Amounts owing to this Company by Affiliated Companies	17,099,125.63	
Brands, Trade Marks, Patents, Good Will, etc.	54,099,430.40	
Total Assets		$294,389,903.05

(*Continued on Page 15*)

"I've switched to CAMELS because they're FRESH"

ONCE a woman smoker has been introduced to Camels it's a case of love at first light. The first cool, mild fragrant puff of smoke from this fresh cigarette is sufficient to win her to Camels' ever-growing ranks of friends.

Maybe it's because her throat is more sensitive than a man's that she's so quick to grasp the difference between the mildness of this air-sealed cigarette and the stinging bite of parched or toasted tobaccos.

Blended from choice Turkish and mild, sun-ripened Domestic tobaccos, Camels are made with just the right amount of natural moisture and kept that way until delivered to the smoker by the Camel Humidor Pack.

These cigarettes are never parched or toasted. The Reynolds method of scientifically applying heat guarantees against that.

If you haven't smoked Camels lately, perhaps you've been missing something. Why not switch over for just one day? After you've known their rare, throat-easy mildness, then leave them — if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

"Are you Listenin'?"

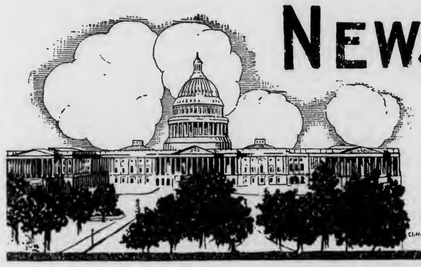
R. J. REYNOLDS TOBACCO COMPANY'S
COAST-TO-COAST RADIO PROGRAMS

Camel Quarter Hour — Columbia Broadcasting System
Prince Albert Quarter Hour
National Broadcasting Company Red Network
See radio page of local newspaper for time

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

CAMELS
Made FRESH — *Kept* FRESH



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DEFEAT of the manufacturers' sales tax by the House of Representatives March 24th will make necessary the development of other tax sources whereby to raise approximately $600,000,000.

To take the place of the sales tax, it is probable that the Administration recommendations of last December will be suggested. These include an increase in the rate of postage on first-class mail, estimated as providing $135,000,000 a year; increased tobacco taxes, to raise $58,000,000; a real estate transfer tax, $15,000,000; automobile taxes, $100,000,000; taxes on radios and phonographs, $10,000,000. In addition, there have been suggestions for taxes on bank checks, $97,000,000; a gasoline tax, $165,000,000; a tax on jewelry, $15,000,000, and taxes on the domestic consumption of gas and electricity, $57,000,000.

Opposition to the sales tax was widespread. It included the antagonism of the East to the proposed tax on gasoline and fuel oil, the opposition of manufacturers generally to the whole principle of a sales tax, and the fight against any tax which would be a burden upon the workingman, as it was contended the sales tax would be. This last opposition was not abated to any extent by amendments offered by the ways and means committee to exempt from the tax all foods, all clothing, including shoes, and a number of other items.

Possibilities that the revenue bill may not be enacted into law until well into the summer are seen in the delays the measure has encountered in the House. Preparation of the measure was undertaken early in January, and hearings on the bill were held during the latter part of that month; the measure was reported to the House on March 7th. After passing the House, the bill will go to the Senate, where, again, hearings will be held which probably will not be concluded until well toward the end of April. The measure then must run the gamut of the Senate and, after passige there, must go to a conference committee where any differences between the two Houses will be ironed out.

The most optimistic observers even do not believe the measure can be finally enacted until very near the end of May at the earliest and if anything occurs further to delay the measure it will go over until the early fall, for Congress will adjourn or recess about June 10th in order to clear the way for the national conventions at Chicago, the first of which begins June 14th.

That Congress will not adjourn from June to December but will recess probably until September now appears likely as the legislative jam begins to make itself felt. Consideration of appropriation bills has been postponed by the Senate until after it has a chance to read the House tax bill and determine the extent to which economy must be practiced.

If the tax bill is not passed so as to permit the imposition of excise taxes by July 1st, the attempt to balance the budget by June 30, 1933, is threatened with failure, since the amount to be raised is predicated upon having these taxes in force throughout the entire fiscal year.

Parcel Post Rates to Be Increased

Having gained the approval of the Interstate Commerce Commission to its petition for increases in postage rates on parcel post shipments, the Post Office Department is now canvassing the various industries to determine whether July 1st would be a satisfactory date for the changes to be made effective.

In seeking the views of industry, the department points out that it is anxious to co-operate with business to the fullest extent possible and, to that end, is seeking a date for the new rates which would not place a sudden burden upon commerce. It is pointed out that in many lines, catalogues carrying delivered prices are issued periodically and that, in a number of the trades which are heavy users of the parcel post service, these price lists are issued around July.

It is felt by officials of that department that if business is given a considerable period in which to prepare for the change, the new rates will not be unduly burdensome, particularly as many trades will benefit by the reductions in long-haul rates. A number of industries have already signified their approval of July 1st as the date for initiating the new rates.

Meanwhile, there is a determined movement at the Capitol to prevent a recurrence of the present situation, where the Post Office Department has secured the approval of the Interstate Commerce Commission to rate changes of which the Post Office Committees of House and Senate are not in favor. Parcel post rates are the only ones over which the commission has jurisdiction, Congress setting the rates for all other services, and it is felt that the power of Congress should extend to all rates or to none.

With this in mind, legislation has been introduced to strip the Interstate Commerce Commission of its rate-making powers with respect to parcel post matter and vest that authority in Congress. It is feared, however, that this legislation would not meet with the approval of the Administration and might result in the President vetoing the measure, so that the bill will not be brought up in the House for a vote unless and until its proponents feel assured of the support of two-thirds of the members so as to make it possible, if necessary, to pass the bill over a Presidential veto.

BOLD AND HUMANIZED COPY WILL WIN CIGAR USERS SAYS GEORGE SHERMAN

GEORGE C. SHERMAN, chairman of the board of Reimers, Whitehill & Sherman, Inc., advertising agents of New York City, has recently written a letter to cigar manufacturers setting forth his views on possible means of restoring cigar smoking to its old time prestige.

He points to the intensified competition in the field, and observes that with few exceptions the competition is one of "matching dollars" and "copy cat" methods.

Mr. Sherman thinks that people are in a non-buying mood, and that in some cases at least they have abandoned their brand allegiance for reasons of economy.

He projects the thought that business is at the beginning of the upward swing and that there is an unparalleled opportunity through advertising persuasion to win back many former cigar smokers and to create new ones. He believes this can be accomplished through bold, well-placed humanized copy.

Mr. Sherman's twenty years of experience as president of the Universal Tobacco Machine Company has given him an unusual knowledge of the manufacture, sale, advertising, and consumption of cigars, and he easily qualifies as a specialist in this field.

Together with his associates, a specific cigar plan is being developed and Mr. Sherman is now ready to discuss this with any interested cigar manufacturer.

"WINGS" NOW IN TEN-CENT CLASS

"Wings," a cigarette brand of the Brown & Williamson Tobacco Corporation, which was introduced to the western market some time ago in the fifteen-cent class, has been reduced to wholesale at $4.75 less the usual discounts, instead of $6.40 as formerly.

"Wings" met with an enthusiastic reception in the western territories last year and the company is now planning to open up eastern territories on this brand.

Yahn & McDonnell have been handling this brand in a small way for some time with marked success, and are now anxiously awaiting fresh stocks of this brand at the new prices, which will enable the cigarette to be retailed at ten cents.

The "Raleigh" cigarette, another brand of the Brown & Williamson Company, formerly priced at $8 wholesale and retailing at two for thirty-five cents, has also been reduced to wholesale at $6.85 less the usual discounts, which will place this brand in the fifteen-cent class.

AMERICAN TO INSURE WINCHELL

The American Tobacco Company is planning to take out a $350,000 life insurance policy on Walter Winchell. It is reported that this protection is sought in connection with a special advertising campaign which will center about Winchell.

It is expected that the campaign will be of brief duration because the insurance sought is to cover a period of one month only.

Yahn & McDonnell stores are displaying a new line of pipes under the trade name of "Monarch." These pipes are beautifully finished brier, with a patented devise to catch the liquid residue which is the bane of all pipe smokers. The patented device assures a dry smoke and an absolutely dry bowl and is very easy to clean. The new line retails from $2.50 up.

PHIL M. PHULOFAX TELLS HOW TO BEAT THE DEPRESSION

DID YOU ever stop to analyze this depression?" asked Phil M. Phulofax, D. B. I., when he gave an interview to a representative of our publication early this morning in the offices of Bayuk Cigars, Inc. "Hard times and discouragement, you may be thinking. But what's behind it and what does it mean in hard facts to us in the retail business?

"The Honorable Martin L. Davey, former Governor of Ohio, put it in a nutshell when he said, 'I will venture the assertion that nine out of ten people with incomes are buying less than they really want and can afford.'

"That statement ought to make every salesman with honest-to-goodness selling blood in his veins sit up and take notice. It means that the shekels are there—timid, to be sure, but wanting good, steady coaxing—that the harvest is waiting for a smart, tackle-it-now salesman to reap.

"*Less than they really want.* There's an opportunity to make your customer realize that he really wants more than he is inclined to buy. Wake up the thought, lying asleep at the back of his mind, that he *wants* a half dozen cigars instead of one.

"*Less than they can afford.* The cash is in his pocket. Lure it out. He can pay without hurting himself. He can afford the extra cigars and they'll make him feel a lot better about life. He's just a little afraid to let the change out of sight.

"Depression: It's a gilt-edged opportunity for the salesman to show what he's made of—to help himself and everybody else. Remember, too, that it's an opportunity for the buyer to get more for his money than he has for years. It's no time to sigh, fold your hands and say it can't be done. It CAN be done. If the ex-Governor's statement is true, nine out of ten have it. All we have to do as salesmen is go after it."

CHARLES SEIDER PASSES

Charles Seider, for fifty-two years a cigar manufacturer operating a cigar factory at Fourth and Race Streets, this city, passed away on Thursday, March 24th, at his home, 3000 West Girard Avenue, following a brief illness.

Funeral services were held on Tuesday, March 29th, from 2127 North Broad Street. Masonic bodies of which he was a member were in charge of burial services in Mount Vernon Cemetery.

Mr. Seider was honorary president of the Philadelphia Rifle Club and a member of the following Masonic bodies: Lodge No. 432, F. & A. M.; Tristain B. Freeman, R. A. C. No. 243, and Pennsylvania Commandery No. 70.

He is survived by his widow, Mrs. Caroline Seider; a daughter, Mrs. Florence Elizabeth Bergson; a son, Charles, Jr., one brother and one sister. He was seventy-six years old.

BOND ON WESTERN TRIP

C. A. Bond, tobacco agent for the Philippine Government, is on a tour of the western States in the interest of Manila cigars. Charlie and Dave Morris make regular trips through the country visiting retailers and jobbers and boosting the merits of Manila cigars. During the past several months shipments of Manila cigars arriving in this country have been showing substantial increases. If you are "lukewarm" on the Manila cigar proposition, just let Charlie or Dave talk to you for a few minutes.

TOBACCO ADVERTISING SHOWS GAIN

IN SPITE of generally decreased appropriations in other fields, expenditures by the tobacco industry for advertising in national magazines during March and over national radio networks during February showed substantial gains as compared to the same months a year ago. A drop of 11.3 per cent. from $39,850 to $35,350 for March farm magazines was inconsequential in contrast to the gain of 16.4 per cent., from $480,914 to $560,128, in national magazines. The total for the two was $595,478, a gain of 14.4 per cent., according to figures compiled from National Advertising Records by the Business Survey Department of Dorrance, Sullivan & Company, New York advertising agents. Of the expenditure in national magazines, $492,473, or 87.9 per cent., went for cigarettes; $65,092, or 11.6 per cent., went for manufactured tobacco and smokers' supplies; while only $2563, or 0.5 per cent., went for cigars.

For the first quarter of 1932 the total in national magazines and farm magazines was $1,849,877, an increase of 17.4 per cent. over the figure of $1,575,753 for the same period of 1931. National magazines accounted for $1,737,827 of this total, ahead of 16.7 per cent., and farm magazines accounted for $112,050, ahead 28.0 per cent.

Radio advertising over national networks was $801,133 in February, 205.4 per cent. above February, 1931, bringing the figure for all three classifications to $1,499,700 during that month, 92.3 per cent. better than last year's total of $779,854. For the first two months of the year the radio total was $1,629,155, ahead 225.9 per cent., while the total for all three groups was $2,883,554, ahead of 85.5 per cent.

HARRY CATLIN JOINS CONSOLIDATED

Harry Catlin, well known throughout the country as former head of the Porto Rican-American Tobacco Company's sales department, has become associated with the Consolidated Cigar Corporation as assistant sales manager of the company.

Mr. Catlin's experience of twenty years with the Porto Rican-American Company makes him particularly well fitted for his present position.

Mr. Catlin is now traveling in Virginia, Pennsylvania and Washington, D. C., in the interest of his new connection.

BERNARD SCHWARTZ REDUCES DIVIDEND

The Bernard Schwartz Cigar Corporation, Detroit, has reduced the quarterly dividend on the no-par preferred stock from fifty cents to twenty-five cents a share, payable April 1st to stockholders of record March 21st.

The company reports net income of $80,752 in 1931 after taxes and charges. This is equivalent to $2.45 a share on the preferred and sixteen cents a share on the common, as compared with $196,639 in 1930, or $5.88 a share on the preferred and $1.49 a share on the common.

FALLON IN HAVANA

Frank Fallon, United States representative for the "Partagas" factory in Havana, and vice-president and sales manager of E. A. Kline & Company, has fully recovered from his recent operation for appendicitis and left on Wednesday for Havana for a conference with officials of the "Partagas" factory. He expects to be in Cuba a week or ten days.

BALANCE THE BUDGET

IN VIEW of the seriousness of the financial situation of the Government we are publishing the following resolution which has just been adopted by the board of directors of the Chamber of Commerce of the United States regarding the necessity for a balanced budget. The uncertainty prevailing in regard to just what action will be taken by the present Congress, is unquestionably having a detrimental effect on whatever measures might be taken throughout the country at the present time toward improvement in business, and we believe this resolution deserves the united support of every citizen who is interested in preserving the credit of the country and in business revival.

The board of directors of the Chamber of Commerce of the United States has passed a resolution urgently calling for a balanced federal budget. The resolution was introduced by Silas H. Strawn, president of the Chamber, who in presenting it declared that his European trip from which he has just returned convinced him more than ever of the peril that lies in unbalanced national budgets.

The resolution, as adopted by the board of directors, reads:

"Balancing the national budget through proper measures of economy and taxation is the first essential for improvement in the country's economic position. It will strengthen credit, public and private. It will give opportunity for that confidence which will permit business to go forward. It will prepare the way for increased employment. For the public welfare there can be no alternative for a balanced budget.

"Every economy should be put into effect. Drastic cuts in government expenditures can and must be made. Such reductions depend upon the readiness of everyone to forego special interest in appropriations. Supporting Congress in reducing total expenditures means supporting Congress in reducing particular expenditures.

"To balance the budget, under present conditions requires not only the strictest economy in expenditures, but additional taxes, carefully framed. In levying such taxes, great care and fairness should prevail so as not to dry up important sources of income and discourage business enterprise on which employment depends.

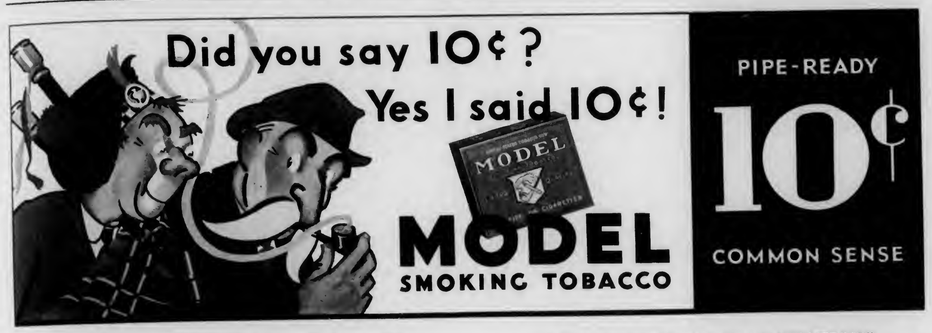
"We appeal to the public spirit of Congress to review very carefully methods and rates, but to aim unswervingly to the essential objective of a balanced budget.

"We appeal to business men everywhere to abstain from critical objections, to manifest their willingness to aid Congress in this problem. This emergency calls for placing the national welfare above all other considerations so that the credit of our Government shall not be placed in jeopardy, and we appeal to all other organizations to join with us in this patriotic movement."

BROWN & WILLIAMSON ADDS TO FORCE

The Brown & Williamson Tobacco Corporation, Louisville, Ky., has added one hundred employees to the factory force, bringing the total number of factory employees now to more than three thousand.

This is understood to be due to the increased demand for Brown & Williamson products as a result of the recent price reductions on their products.



FORMER BOX MANUFACTURER DIES

J. A. ANDERSON, pioneer cigar box manufacturer of Tampa, Fla., passed away at his home in Tampa, Fla., on March 19th, following an illness of several months.

Mr. Anderson was born in Sweden and came to this country when he was nineteen years old, and engaged in the lumber business in Pennsylvania. Sometime later he moved to Tampa where he continued in the lumber business for a time, but later joined George F. Weidman and Thomas D. Fisher in organizing Weidman-Fisher & Company to manufacture cigar boxes. Last year Weidman-Fisher Company was merged with the Tampa Box Company, also a cigar box manufactory, and the business has since been carried on under the name of the Leiman-Weidman Box Company. Mr. Anderson continued active in the firm until forced to cease on account of illness.

He is survived by his widow, one daughter, three sons and a brother, all of Tampa. He was sixty-eight years old.

SWISS BUYING MORE AMERICAN CIGARETTES

Sale of American cigarettes in Switzerland increased 8 per cent. in 1931 as compared with 1930, according to figures recently compiled by the United States Department of Commerce. A productive advertising campaign by the distributers helped to account for this gain. Advertising is being employed as an effective sales weapon in behalf of cigarettes in Switzerland just as it si in the United States, where large amounts are invested in newspaper space to tell the public about the removal of impurities through improvements in manufacturing such as the toasting process including the use of ultra-violet rays and improvements in packaging such as the notched-tab cellophane wrapper. The Swiss liking for American tobacco is also indicated by the tobacco imports, approximately half of the imported leaf tobacco of Switzerland being supplied by the United States.

L. & M. BRANCH MANAGER HERE ON VACATION

E. M. Yantis, manager of the Ismir branch of the Gary Tobacco Company, Liggett & Myers subsidiary, at Ismir, Turkey, has arrived in this country on a vacation. Mr. Yantis plans to return on the Steamship "Europa" sailing May 12th.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

GOVERNMENT PROFITS FROM CIGARETTE INCREASE

All tobacco companies have been in a bull market since the war, probably owing to the great increase in smoking during the war and to the converts among women. In the decade ended 1930 American Tobacco net income increased 155.2 per cent., R. J. Reynolds Tobacco net income increased 220.3 per cent. and Liggett & Myers Tobacco Company net income increased 149.9 per cent. If the war stimulated the use of tobacco, as most observers agree, it may be recalled that the various governments collectively brought about the war, and thus should share in the industry. In leading European countries, indeed, the government operates the tobacco monopoly for the nation, taking all the profits.

RETAIL STORE PROBLEMS

Measuring a Retail Market

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

Introduction

THE measurement of a retail market resolves itself into a scientific study of a community. Careful business men are laying increasing stress upon research work in the various phases of industrial activity. Vast sums have been spent upon industrial research, particularly as related to the manufacturing processes. Investors and banking houses investigate new enterprises with all the accuracy that modern business practice makes possible to assure themselves that the venture is economically justified.

Just as the manufacturer and banker have realized the importance of research in their management problems and have proved the advantage of knowledge over guesswork in business, so may the retail merchant benefit by a study of his problems in the light of facts scientifically gathered. Since the purpose of any retail business is to sell merchandise, thereby making sufficient profit to compensate for the energy and capital expended, it seems only logical that the merchant should desire to obtain all the information possible relative to his market.

Retail business has passed from a seller's market to a buyer's market; the consumer is no longer taking anything and everything that may be pushed his way, but is rather selecting his purchases to suit his own demands. These demands may be justified or not from the viewpoint of same purchasing, but it is small part of the merchant's duty to judge them. He may properly give advice to his customers, but his chief function is to supply their demands and needs. He can do so most adequately if he makes a quantitative analysis of the market and a qualitative analysis of the consumer demand.

Such sales researches serve as guides to the possibilities of the future and are of value to the prospective merchant in choosing his field, as well as to the established merchant in pointing the way. In planning to enter a new field the retailer may find by a careful analysis of his prospective market that it does not reflect such favorable circumstances as a cursory examination appeared to reveal. He may by such an analysis be saved from embarking upon the enterprise, and thus prevented from subsequent failure, and society may be saved much waste of effort and loss of capital.

Upon this market survey of sales possibilities should depend many important executive problems. The starting point in any system of budgetary control, for example, should be planned sales, but its accuracy depends materially upon the measurement of the community's possibilities in terms of merchandise needs. With the reports of such a survey serving as a guide, the purchasing of stocks may be much more effectively performed. Advertising may be more effectively planned; the buying motives of the customers can be revealed and the advertising copy so planned as to make a direct appeal to these motives.

Though the use of statistical data and forms is necessary in the procedure, it is not the purpose of this study to make any definite outline in this respect, but rather to state how such a measure of the retail market may be accomplished, leaving to the individual merchant the analysis of those factors pertaining to his own local conditions. Obviously, no individual retailer's problems can be considered; we shall consider only the broad aspects of the subject.

Preliminary Analysis

Every market investigator will find that, whereas there are certain methods of procedure common to all market analyses, each investigation will differ in some respects, according to the purpose of the research, the completeness desired, and the class of merchandise for which the market is examined. Therefore, the first step is to take a broad view of the problem with a definite attempt to obtain a general perspective of the entire situation. Subsequent procedure must then be so clearly planned as to leave no chance that the ultimate aim will be lost in mere detail as the investigation proceeds.

Since it is beyond the hope of anyone to know all possible facts regarding a particular market, the only logical course for an organization desiring to try out market analysis on a small scale is to allot in advance a definite amount of time and money for the survey and then keep to the schedule as far as practicable. Having visualized the campaign in its entirety and determined at the outset the precise objective or results to be obtained, the classes of data to be gathered and the amount of necessary detail can be chosen much more judiciously. Essential deviations from the initial plan can be made from time to time as considered feasible.

There is often difficulty in determining the community's trading population or trade territory. Some writers have arbitrarily indicated that the average city should draw from an outside territory that embraces a population equal to 40 per cent. of itself. It is obvious, however, that many conditions determine the extent of the city's trading territory. Of the more important factors in this respect are those geographical conditions playing their part in freeing a city from outside competition or in handicapping it in the race for trade. Merchandsing methods extraordinarily fair and comprehensive have served as a means for some cities to include in their trade territory outlying districts whose population was equal to 75 per cent. of that of the original city. One can not emphasize too strongly the importance of efficient merchandising policies when an effort is being made to measure and ascertain a potential market.

Frequently maps are used as a medium for picturing the extent of a market. One notable case of the

(Continued on Page 14)

TOBACCO PRODUCTS DECREASE IN FEBRUARY

THE following comparative data of taxpaid products indicated by monthly sales of stamps are obtained from the statement of Internal Revenue collections for the month of February, 1932, and are issued by the Bureau. (Figures for February, 1932, are subject to revision until published in the annual report):

Products	*February* 1931	1932
Cigars (large):		
Class A.....No.	232,113,080	269,980,055
Class B.....No.	27,382,327	4,606,807
Class C.....No.	96,559,278	68,310,840
Class D.....No.	6,198,544	4,509,798
Class E.....No.	585,518	321,148
Total	362,838,747	347,728,648
Cigars (small) .....No.	25,455,507	25,657,507
Cigarettes (large) ...No.	350,101	267,899
Cigarettes (small) ...No.	8,836,067,903	7,680,329,023
Snuff, manufactured..lbs.	3,400,814	3,266,306
Tobacco, manufact'd.lbs.	26,161,164	26,150,221

NOTE: The above statement does not include taxpaid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of February:

Products	*February* 1931	1932
Cigars (large):		
Class A.....No.	16,463,905	4,970,000
Class B.....No.	182,500	5,400
Class C.....No.	465,440	129,000
Class D.....No.	2,100	200
Class E.....No.	500	....
Total	17,144,445	5,104,600
Cigars (small) .....No.	1,000,000	500,000
Cigarettes (large) ...No.	100,000	77,000
Cigarettes (small) ...No.	1,000,000	953,800

Tax-paid products from the Philippine Islands for the month of February:

Products	*February* 1931	1932
Cigars (large):		
Class A.....No.	9,717,305	15,523,700
Class B.....No.	73,837	53,433
Class C.....No.	68,672	21,896
Class D.....No.	.....	686
Class E.....No.	.....	5,110
Total	9,859,814	15,604,825
Cigarettes (large) ...No.	100	.....
Cigarettes (small) ...No.	43,550	116,850
Tobacco, manufact'd.lbs.	75	90

NOTE: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Comparative Statement of Internal Revenue

Objects of Taxation	*First eight months Fiscal year* 1931	1932
Tobacco manufactures:		
Cigars	$12,400,912.16	$10,224,046.70
Cigarettes	235,257,484.84	211,790,071.04
Snuff	4,747,239.44	4,636,330.77
Tobacco, chewing and smoking ...	38,562,283.04	39,052,840.88

"Oh, Yeah?
well don't let it happen again, Son!"

Them fags you smoke *would* start you twitchin'
And stop this no-hit game I'm pitchin'.
Try OLD GOLDS, kid... What I'm remarkin',
You'll ketch them flys and stop that barkin'.

© P. Lorillard Co., Inc.

PURE TOBACCO . . . NO ARTIFICIAL FLAVORING
That's why O. Gs. do not scratch the throat or taint the breath . . . (Cellophane-wrapped, of course).
NOT A COUGH IN A CARLOAD

"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

GENERAL CIGAR AIDS UNEMPLOYMENT

The General Cigar Company, at its plant on Somerset Street, New Brunswick, N. J., has added fifty girls to the payroll as an aid to the united drive against depression.

James Heaney, representing the American Cigar Company on their "Antonio Cleopatra" brand, has been in Philadelphia during the past few days and doing some excellent work on placements on this brand among the clubs and high-grade retailers in the city, working through Yahn & McDonnell, local distributors of the brand.

RETAIL STORE PROBLEMS

(*Continued from Page 12*)

use of such a map is that of Boston's shopping zone, prepared by advertising managers in three of the largest Boston stores and approved by the Boston Chamber of Commerce. This map divides the area of the metropolitan city into four zones on the basis of customers' periodic shopping habits. Boundaries of these zones are established by approximation, and the separate zones are termed (1) daily shopping, (2) weekly shopping, (3) monthly shopping, and (4) seasonal shopping and mail order.

Though arbitrarily based on personal opinion combined with facts, such a division should prove a distinct help in planning the advertising to reach these several different classes of customers. Every city, even though not such a metropolitan center as Boston, can very probably make a similar division of its trade territory for sales-promotion work.

There are four main sources for procuring such practical information as may be necessary for a measurement of the retail market. The store itself receives much worth-while data. Some is recorded, but, as is very often the case, there is much more in existence than has ever been correlated or compiled. Heretofore the value of such data has been often minimized or unrealized. The store's customers are always a source of valuable suggestions in relation to changes of consumer demand. Competitors are possible contributors. While this may not have been true in the past, it has been brought about to some degree in the change of retail procedure and business methods of the present, carrying with it a more cooperative spirit in the undertaking of real constructive work together. The surveyor can get from statistical data much help relative to the extent and character of the market. There are certain statistics that recur in a great many market investigations, as, for example, the studies of population and wealth. Government departments, the larger public libraries, and many of our university research bureaus will prove helpful in furnishing valuable data.

Population

Any two markets will differ as their respective peoples differ. As the people of a particular market area change, so does the market change. A new generation may mark a radical departure in buying habits, so that in a comparatively new and rapidly developing community it is even more important to trace the ebb and flow of the population. The influx of a large number of people with different characteristics may entirely change certain districts of a city within one year.

Of the general statistics, applying in varying importance to all retail markets, those concerning population are the most easily obtained. While in many instances these facts are not specific answers to the questions that are raised by the retailer, they nevertheless furnish a desirable background of valuable basic data which may be used in connection with more specific information obtained by direct contact with the market.

A complete analysis of the population would carry the average merchant into too much unnecessary detail; hence, the investigator needs first to determine just what facts he should secure, balancing the time and expense required against the utility of the data.

Obviously, there is a difference in the information required, according to the type of commodity retailed. The demand for such articles as foodstuffs depends largely upon the number of people comprising the community, but, even with this commodity, factors other than mere numbers must be considered. There is a difference in the food consumed by the wealthy or educated class of trade and that of the laborer; national or racial habits and traditions also play their part here.

Age and Sex Distribution

Age and sex distribution are important to certain distributors. A case has been noted in which one merchant, specializing in boys' clothing, determined the number of boys between certain ages that lived in his trade territory. Further than this, he divided the trade territory into sections and found the number of boys in each section. By a system of sales records he was enabled to maintain information as to just how many sales were made in each section during a certain period. Comparing the known sales with the number of boys in the section, some conception was obtained of where advertising concentration could best be used. Usually, the parents decide upon purchases, but in America a growing influence of children is noted. This has led to an appeal to the children in an attempt, through them, to direct purchasing power. In regard to sex the method of appeal must differ, as is evidenced by the fact that, in general, women are said to be more discriminating buyers than men.

Habits of the People

The varying habits of the people may be social, racial, or personal, but in so far as they affect method and quality of buying they are important for market analysis. Occupations affect to a considerable degree the buying habits and needs of people. Illustrations of such conditions can be readily seen in our gold-mining districts, which are characterized by liberality in spending, while a contrast is shown in our coal fields, where the miners have a much lower buying power than the gold miner. Railroad centers and terminals are good business points, because their inhabitants hold steady positions and earn good wages. That the demand for many articles depends upon occupation is often overlooked. Overalls, for instance, are practically limited to farmers, artisans, and laborers.

Men of certain ranges of purchasing power tend to adopt similar standards of living and purchase about the same merchandise. They are doubtless stimulated by the motive of emulation, and the group tends to follow certain natural leaders. The city dweller of the same economic status, however, will have different demands from the suburban or rural worker. Costs of living are higher in the city, thereby curtailing the percentage of income available for luxuries as compared with the same income in suburban districts.

Racial Characteristics

Racial characteristics are clearly marked in buying habits. National peculiarities go far toward influencing the character of trade. It is said that Germans as a race are thrifty and that any store, to cater to their trade, must offer dependable, staple merchandise at reasonable prices. The French love of dress and luxuries is well known. These are but two illustrations among many that might be used to indicate the bearing of such characteristics upon store policy. Each customer has his own peculiarities, but any grouping of facts or any generalities that can be drawn help the store's executives in deciding upon management policies.

(To be continued)

Editorial Comment

(*Continued from Page 3*)

no question but what the decline in their number has been brought about to some extent by the use of the non-porous wrappers. Clear Havana cigar manufacturers have been convinced for some time that the lucid covering is of no benefit to their product.

Nature has provided wood as a natural container in which to ripen and mellow cigars—in their natural wrappers. But instead of trying to give the greatest values consistent with good business operation, cheap types of substitute containers are being used, and in addition there are a number of criticisms that can be made of the quality and workmanship of the cigars themselves.

In times like these the number of critical smokers is on the increase, regardless of the price they pay for their cigars. And it is a sign of overconfidence to believe that some of the economies in cigar manufacture are not going to be discovered by thousands of smokers who have not already done so. And there is bound to be, in the course of events, an unfavorable reaction to the entire cigar business.

The industry should sell more cigars in the higher brackets. It should be able to sell more cigars in every classification. It should rid itself of the burden of the non-porous covering. And it should not ask the public to pay in quality, without explanation, for a delusion.

SCHULCO, INC., REPORTS

Schulco, Inc., reports income from rentals of $883,350 in 1931, which compares with $1,007,119 in the previous year.

After interest on first mortgages, depreciation and other expenses, profit from operations amounted to $419,247, as compared with $464,433 in the preceding year. Including other income, gross income for 1931 was $538,466, comparing with $944,415 in 1930, which included $282,634 profit on the sale of real estate.

Interest on the company's guaranteed 6½ per cent. mortgage sinking fund gold bonds for the year 1931 was $336,731, against $435,860 in the previous year, leaving net income of $201,735, as compared with $508,555 in 1930.

The capital stock amounting to 100 no-par shares is all owned by D. A. Schulte, Inc., which is controlled by the Schulte Retail Stores Corporation.

UNITED ORGANIZING STATE CORPORATIONS

The New York United Cigar Stores Corporation has been organized with a capitalization of $20,000, and it is understood that similar corporations will be chartered in other States. This is reported to be purely an internal working of the United Company and will not affect the general policies of the company. The United Cigar Stores will be operated in each State by the State corporations, when the present plans are completed.

YORK COUNTY PRODUCTION UP

According to internal revenue figures released by the collector, sales of internal revenue cigar stamps at the Red Lion and York offices indicated a total production for the month of February of 34,587,007 cigars as compared with 30,822,643 in the month of January. Class A accounted for 33,727,105 of the total.

AMERICAN TOBACCO COMPANY

(*Continued from Page 6*)

LIABILITIES:

Capital Stock, issued and outstanding:		
Preferred (Authorized $54,010,600.00)		$52,699,700.00
Common (Authorized $50,000,000.00)		40,242,400.00
Common B (Authorized $100,000,000,00)		78,280,225.00
6% Gold Bonds maturing October 1, 1944		179,100.00
4% Gold Bonds maturing August 1, 1951, and remaining 4% Gold Bonds of Consolidated Tobacco Company not yet exchanged		841,250.00
Scrip matured March 1, 1921, and not yet presented for redemption		4,691.00
Dividend Certificates convertible into Common Stock B March 1, 1923, and not yet presented for conversion		4,458.00
Provision for Dividend on Preferred Stock, for quarter ended Dec. 31, 1931, payable Jan. 2, 1932,	$790,495.50	
Accrued Interest:		
Payable April 1, 1932 on 6% Bonds	2,686.50	
Payable Feb. 1, 1932 on 4% Bonds	14,020.83	807,202.83
Accounts Payable		3,584,159.59
Amounts owing by this Company to Affiliated Companies		988,193.01
Provision for Advertising, Contingencies, Taxes, etc.		10,310,473.09
Total Liabilities		187,941,852.52
Surplus		$106,448,050.53

The above assets and liabilities include those of American Suppliers, Incorporated, a wholly owned leaf buying subsidiary. The inventory of leaf tobacco, however, does not include leaf held in this country for account of foreign subsidiaries.

RECEIVERS ASKED FOR HAPPINESS CANDY

HENRY M. BEHRE, of New York, on March 15th, began suit in Chancery Court asking the appointment of receivers for the Happiness Candy Stores, Inc., of Long Island City, N. Y. Behre is a stockholder of the defendant corporation. The petition alleges the concern is insolvent and unable to meet maturing obligations.

The bill stated that in September, 1930, Loft, Inc., purchased 802,966 shares, or 71 per cent. of the Happiness Candy Stores, Inc., common stock from the United Cigar Stores Company. It was alleged that Loft, Inc., made the purchase to eliminate competition and installed its own directors and officers in the defendant concern.

It was alleged Loft, Inc., then caused Happiness Candy to acquire 108,947 shares of Loft, Inc., stock, which, together with about 125,000 shares owned by Charles Guth, president of the two concerns, insured to Happiness Candy Stores voting control of Loft, Inc.

Under a contract in force since September, 1930, the bill further states, Loft, Inc., has taken over the operation of all the defendant concern's plants and stores, paying to Happiness Candy Stores a certain percentage of the gross receipts each year.

It was alleged in the bill that the management of the Happiness Candy Stores is gradually bringing about a liquidation of the corporation in a manner beneficial to Loft, Inc., and its stockholders but detrimental to Happiness Candy Stores minority stockholders and creditors.

George M. O'Neil, secretary of Happiness Candy Stores, Inc., commenting on the receivership suit brought against the company said:

"The suit is without foundation. Happiness Candy Stores, Inc., is not insolvent, owes no debts other than current bills not yet due and has substantial cashable assets on hand. If Happiness owed a million dollars, which it does not, it could pay this amount within 24 hours."

Mr. Behre on March 16th filed an injunction suit and bill for an accounting against the Happiness Candy Stores, Inc., and Loft, Inc. The suit also included the officers and directors of the two companies, which have identical boards.

Notice was served at the annual meeting of Loft, Inc., held in Wilmington, Del., on March 16th. Mr. Behre asked the Court to rescind and cancel contracts and transactions between Happiness Candy Stores and Loft.

STANDARD COMMERCIAL SHOWS LOSS

Standard Commercial Tobacco Company and subsidiaries report for 1931 loss of $183,521 after expenses and interest, but before inventory adjustments. There was a write-down of $223,043 on tobacco inventories and $162,775 write-down on securities to market values at the close of the year charged against surplus account. In 1930 the loss was $295,763, but before provision of $290,783 for depreciation of inventory, taxes and contingencies, which were charged against surplus.

AMERICAN SUMATRA REPORT

American Sumatra Tobacco Corporation and wholly owned subsidiaries show total assets of $7,927,676 at the end of the year, comparing with $7,999,978 on July 31st last year, and earned surplus of $354,971 against $418,723. Current assets were $2,526,589 and current liabilities $39,585, comparing with $2,601,670 and $26,347, respectively, on July 31st last year.

EIGHT MONTHS WITHDRAWALS FOR CONSUMPTION

	First 8 Mos. Fiscal Yr. 1932	*—Decrease +Increase Quantity*
Cigars:		
Class A—U. S. ..	2,474,681,485	+ 115,137,915
P. R. ..	65,090,675	— 34,454,405
P. I. ...	118,665,890	+ 15,789,980
Total	2,658,438,050	+ 96,473,490
Class B—U. S. ..	51,561,793	— 181,733,960
P. R. ..	805,750	— 1,465,000
P. I. ..	938,249	— 133,325
Total	53,305,792	— 183,332,285
Class C—U. S. ..	812,469,630	— 305,161,830
P. R. ..	2,956,144	— 3,804,736
P. I. ...	332,008	— 484,572
Total	815,757,782	— 309,451,138
Class D—U. S. ..	50,637,594	— 24,546,109
P. R. ..	18,200	— 1,500
P. I. ...	5,222	— 3,518
Total	50,661,016	— 24,551,127
Class E—U. S. ..	9,148,488	— 6,577,028
P. R. ..	500	— 2,600
P. I. ...	14,312	— 54,669
Total	9,163,300	— 6,634,297
Total All Classes:		
U. S. ..	3,398,498,990	— 402,881,012
P. R. ..	68,871,269	— 39,728,241
P. I. ...	119,955,681	+ 15,113,896
Grand Total ...	3,587,325,940	— 427,495,357
Little Cigars:		
U. S. ..	205,845,440	— 24,084,879
P. R. ..	3,500,000	— 550,000
P. I. ...	.....	.....
Total	209,345,440	— 24,634,879
Cigarettes:		
U. S. ..	70,659,638,358	—7,744,383,320
P. R. ..	5,662,200	— 8,508,800
P. I. ...	1,336,880	— 313,763
Total	70,666,637,438	—7,753,205,883
Large Cigarettes:		
U. S. ..	3,142,581	— 1,140,933
P. R. ..	649,500	— 950,500
P. I. ...	200	— 5,000
Total	3,792,281	— 2,096,433
Snuff (lbs.):		
All U. S.	25,757,392	— 616,161
Tobacco (Mfd.):		
U. S. (lbs.)	217,126,237	+ 2,923,940
P. I.	806	— 437
Total	217,127,043	+ 2,923,503

MANILA NEWS

ON ACCOUNT of the existing free trade relations, the American market is the most important for the Philippine cigar and partially manufactured tobacco export trade, because the United States gets about 55 per cent. of the total local yearly cigar production and seven-eighths of all the partially manufactured tobacco exported yearly to foreign countries.

This was declared by S. Blaquera, Chief of the Tobacco Industry Division, Bureau of Internal Revenue, and Secretary of the Philippine Tobacco Board, at the convention of the fieldmen and experts of the Bureau of Plant Industry held in Manila, P. I. March 15th was "Tobacco Day" in the convention.

Mr. Blaquera revealed during the general discussion at the confab that the Philippine Government, through its agencies is working hard to find out a local wrapper with which to manufacture cigarettes and cigars to compete with those coming from the United States.

The tobacco industry, he said, is first in importance among the revenue-producing crops, in the Islands, the public coffers collecting a total of no less than $17,561,425.50 from excise taxes on cigars and cigarettes during the last six years. This amount does not include the fees collectable on the inspection of tobacco as required by law which amounts to $75,000 a year.

All in all the total revenues collected by the Philippine Government from tobacco can be estimated at $4,000,000 a year, which represents about 10 per cent. of the total collection of the Island's Government.

Markets for Philippine cigarettes, according to their importance are China, Canary Islands, Japan, United States, Indo-China, Straits Settlements, India, Java, and some small countries, while the principal buyers of Philippine leaf tobacco are Spain, Austria, Japan, Korea, Africa, Belgium, Holland and Australia. In 1931, 75 per cent. of the total leaf tobacco exports went to Spain.

The indifference of local tobacco farmers to the adoption of the proper way of classifying their products as indicated by the classification and building regulations promulgated in accordance with the requirements of the trade, and enforced by the Bureau of Internal Revenue, was scored by the Speaker, who added that the conservatism among farmers in the promotion of the industry, is a great obstacle.

The delegates were also told by him that there are at present in the Islands, 6840 retail leaf tobacco dealers, 559 wholesale tobacco dealers, and 140 manufacturing establishments that manufacture the raw products of tobacco into either cigars, cigarettes, smoking tobacco (Picadura) or chewing tobacco. It can be estimated, he said, that about 25,000 persons are employed in the manufacture of tobacco products, and no less than 100,000 farmers engaged in it.

The Tobacco Board at Manila has allotted the appropriation for promotion work to the Bureau of Internal Revenue for the year 1932. They plan to spend one-third of the amount for the experimental station in the Isabela Province. The station is developing a new shade wrapper which has become an important item in the Philippine tobacco trade. A determined effort is being made also to make effective the regulations to grade and pack tobacco.

Graduates from Agricultural Colleges were gradually assuming the management of tobacco plantations and are getting good results from modern methods of farming. The Bureau of Internal Revenue will exert every effort this year to persuade the producers to classify their leaf tobacco in accordance with the regulations, and the younger men, the college graduates, managing many plantations, are being depended on to further this work. A third of the appropriation will go to the Inspection Department of the Bureau.

The other third of the appropriation will be used in the United States to support the Philippine Government Tobacco Agency and the promotion of the Manila cigar trade in various advertising mediums.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

LIGGETT & MYERS BONUS REDUCED

OFFICERS of the Liggett & Myers Tobacco Company have voluntarily agreed to reduce the amount of the bonus paid to them, according to a statement made at the annual meeting of the company in Jersey City, on March 14th.

At one time 10 per cent. over a certain basic amount was set aside for distribution to officers and employees. This was reduced to 5 per cent. about three years ago and last year a further reduction to 2½ per cent. was effected. The reductions applied to officers and about 500 other employees. The stockholders at the annual meeting approved a change in the by-laws providing for the new scale of payment.

Sales of the principal brand of cigarettes manufactured by the company have been better so far this year, it was stated at the meeting.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

SLOPPY JOE'S:—46,002. For cigars, cigarettes and tobacco. March 4, 1932. A. Gutierrez, Inc., Passaic, N. J.

HOT-CHA:—46,003. For all tobacco products. March 3, 1932. George Schlegel, Inc., New York, N. Y.

PITTS TWIN TUBES:—46,004. For all tobacco products. March 3, 1932. El Moro Cigar Co., Greensboro, N. C.

BREN CARNAT:—46,005. For all tobacco products. March 2, 1932. Lucas Reyes, New York, N. Y.

HOTEL OLDS:—46,006. For all tobacco products. March 15, 1932. R. J. Seidenberg Co., Buffalo, N. Y.

DETERMINATION:—46,008. For all tobacco products. March 19, 1932. D. Emil Klein Co., Inc., New York, N. Y. (By consent of Consolidated Litho. Corp., Brooklyn, N. Y.)

TRANSFER

ROTARY CLUB:—6,083 (State of California). For cigar boxes and cigars. Registered April 9, 1913, by J. Newman, Los Angeles, Cal. Transferred to Charles Leib, Los Angeles, Cal., October 4, 1916.

McKESSON & ROBBINS NET

McKESSON & ROBBINS, INC., one of the country's largest manufacturers and distributors of drugs and allied products in its pamphlet report for 1931 and shows net profits of $1,845,739 after expenses, depreciation and taxes, compared with $2,629,196 in the previous year. Net profit for 1931 was equal to 1.17 times the preference stock dividend, and after deducting this payment the balance was equal to 24 cents a share on the 1,082,555 shares of common stock, compared with 94 cents a share on common in the previous year. Net earnings before fixed charges totaled $3,260,683, equal to 2.81 times the annual interest on the outstanding debentures.

The balance sheet, as of December 31st, showed cash on hand of $2,847,494. Current assets totaled $54,009,559 and current liabilities $10,724,421, compared with $55,719,469 and $9,256,901, respectively, at the end of 1930.

F. Donald Coster, president, reported that major economies amounting to approximately $2,000,000 had been effected in 1930, principally through salary and wage reductions.

Consolidated net sales for the year were $119,967,385, a decrease of $14,989,055, or 11.05 per cent. compared with sales in 1930.

TOBACCO MEN ON WASHINGTON COMMISSION

Mayor Walker, of New York, has appointed several men associated with the tobacco industry to membership on the George Washington Bicentennial Commission as follows: Jacob A. Voice, president of the Consolidated Lithographing Corporation; Joseph F. Cullman, Jr., president of Webster, Eisenlohr, Inc.; Howard S. Cullman, vice-president of Cullman Bros., Inc., and Frank Fallon, vice-president of E. A. Kline & Company.

AMERICAN TOBACCO BONUS PLAN ENJOINED

THE American Tobacco Company was enjoined temporarily on March 18th from paying more profit-sharing bonuses to George W. Hill, president, and other officers, by Federal Judge Francis G. Caffey, in New York.

The injunction was granted on behalf of a minority stockholders' group headed by Richard Reid Rogers, who claims that the stock-purchase bonuses amount to a $30,000,000 dilution of stockholders' equities.

The company's 1931 net earnings are equivalent after 6 per cent. preferred dividends to $9.07 a share, par $25, on 4,740,905 shares of combined common and common B shares outstanding at the end of the year. This compares with net earnings in 1930 of $43,294,769, equal to $8.56 a share on 4,687,054 combined common and common B shares outstanding at the end of 1930.

Referring to the injunction against further bonuses to officers, Judge Caffey observed that he was "ready to award the plaintiff and I feel that he is entitled to an injunction *pendente lite* against future payments to individual defendants under the by-law either for 1931 or for any subsequent year. If an appeal from an order to that effect were taken promptly and prosecuted expeditiously," the Court continued, "my disposition will be to postpone action on the balance of the motions until after a decision of the Appellate Court. On the other hand, I reserve the right, in the light of the developments hereafter, to proceed with the other phases of the motion. Moreover, I shall proceed with them if all parties desire me to do so or if the defendants elect not to appeal."

No further order is necessary at present, the Court said, in pointing out that his order was fair to both sides, there being no suggestion of insolvency calling for an immediate final decision. Chadbourne, Stanchfield & Levy represented the American Tobacco Company and its officers. Mr. Rogers, who is a well-known corporation lawyer, represented himself.

In a statement concerning the decision of the court the officials of the American Tobacco Company stated that the court's "impressions were only tentative and not final, and they concurred with the court's views as to the desirability of procuring an early authoritative ruling on the by-law by the Circuit Court of Appeals."

Granting of the injunction against the officers of the American Tobacco Company for the payment of bonuses on the petition of a stockholder recalls similar court proceedings in the case of the Bethlehem Steel Corporation which led to the modification of the bonus system of Bethlehem before the court proceedings came to an issue. The litigation with respect to the American Tobacco bonuses has been going on quietly for more than a year. Because of its huge earnings the American Tobacco bonus system gave the president of the company the biggest annual bonus in corporate history, not even excepting the Bethlehem bonuses. One section of financial opinion holds that such a system is justified, but another is adamantly opposed to such payments. The injunction against the American Tobacco officers will be appealed to the Federal Circuit Court, when a final decision will be rendered. The lower court indicated some doubt as to the entire subject, but held with the stockholders that the corporation by-law, under which the bonuses are paid, "is invalid and the defense insufficient."

VOLUME 52 No. 8

THE TOBACCO WORLD

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"Oh, Yeah?

well don't let it happen again, Son!"

Them fags you smoke *would* start you twitchin'

And stop this no-hit game I'm pitchin'.

Try OLD GOLDS, kid... What I'm remarkin'.

You'll ketch them flys and stop that barkin'.

© P. Lorillard Co., Inc.

PURE TOBACCO . . . NO ARTIFICIAL FLAVORING

That's why O. Gs do not scratch the throat or taint the breath... (Cellophane-wrapped, of course).

NOT A COUGH IN A CARLOAD

automatic

machines offer

A NEW RETAIL OUTLET for TOBACCO PRODUCTS

Get all the facts now on automatic merchandizing.

Write for a sample copy

THE AUTOMATIC AGE

2810 S. Michigan Avenue

Chicago Illinois

"BEST OF THE BEST"

OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

RETAILERS WANT WOODEN BOXES

Retailers prefer Wooden Boxes not only because they are natural salesmen but because they are also a natural ripening and mellowing agent for the cigars themselves.

And they know that there is a valuable appeal to the smoker in the pleasant and aromatic fragrance imparted to cigars only by the Wooden Box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52

THE TOBACCO WORLD

Number 8

Established 1881

TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary

Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.

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$2.00 a Year — PHILADELPHIA, APRIL 15, 1932 — Foreign $3.50

$37,500 PRIZES IN OLD GOLD CONTEST

ON APRIL 11 the P. Lorillard Company announced a $37,500 cash prize contest on their "Old Gold" cigarettes, which is arousing intense interest among the public and will no doubt result in a substantial increase in the sales of this popular brand of cigarettes.

Advertisements referring to the prize contest will appear in newspapers throughout the country during the weeks of April 11 and April 18. The prizes are to be awarded for the best answers to the question, "What makes the Old Gold Cigarette so popular?"

The rules of the contest state that answers must contain not less than twenty words nor more than 150 words; contest open to every one except employees of and those affiliated with P. Lorillard Company, Incorporated, or those associated in any way with this contest. Decisions of the judges will be final. In case of ties, the full amount of award will be paid to each of the tying parties. All answers become the property of P. Lorillard Company, Incorporated, with right of publication. No answer will be accepted bearing postmark later than midnight, May 15, 1932.

The first prize will be $20,000 in cash; second prize, $5000; the next five best answers, $500 each; and for the next best 100 answers, $100 each, making a grand total in prizes of $37,500.

The judges are Anne Morgan, distinguished welfare worker and daughter of the late J. Pierpont Morgan; Irvin S. Cobb, eminent author and most famous of American short story writers, and Grantland Rice, America's leading sports authority, editor, American golfer, and staff.

It is hoped to be able to announce winners of the contest about July 1.

PORTO RICAN-AMERICAN STATEMENT

The Porto Rican-American Tobacco Company reports for the year ended December 31, 1931, a loss of $238,200 after taxes and charges, but before an inventory write-down of $189,729 which was charged to surplus. This includes the company's proportionate share of the Congress Cigar Company and Waitt & Bond, Incorporated, and compares with net profit of $883,796, equivalent, after dividend requirements on class A stock, to eighty-five cents a share on 200,000 no-par shares of class B stock in 1930.

OSCAR VOIGHT DEAD

Oscar T. Voight, former vice-president of the lithographing firm of Heywood, Strasser & Voight, New York, passed away on Saturday, April 2, at his home in Maplewood, N. J., following an illness of pneumonia. He was fifty-nine years old, and is survived by his widow and four sisters.

AMERICAN TOBACCO ANNUAL MEETING OPTIMISTIC

AN INCREASE in Federal taxes levied upon the tobacco industry, which already pays more than $500,000,000 annually to the Government, is unlikely, it was reported at the annual meeting of the stockholders of the American Tobacco Company, at 75 Montgomery Street, Jersey City, on April 6. More than 2,523,000 votes out of a total of 2,526,422 votes present or represented at the meeting were cast to re-elect the present Board of Directors and to elect one new director, Edmund A. Harvey, to succeed the late Charles A. Penn. Paul M. Hahn, assistant to the president, presided.

Contrary to a forecast given some prominence, there was no criticism expressed by any stockholder in person or by proxy against payment of a bonus of approximately $850,000 in 1931 to George W. Hill, president, which, with his fixed salary of $168,000, gave him an income in that year of more than $1,000,000.

One stockholder, W. S. Cowles, of Farmington, Conn., inquired of Mr. Hahn whether payment of such a large bonus might not be misunderstood by tobacco growers who are receiving a very low price for their products. Mr. Cowles said that he did not think "the growers will understand how officers of tobacco companies can draw big bonuses when low prices are paid for crops."

In reply Mr. Hahn said: "The operations of the American Tobacco Company, or of any other company, has nothing to do with the price paid to growers. The limited prices paid to growers is due to the fact that about 65 per cent. of the crop that formerly was exported is no longer exportable because of bad economic conditions abroad. The payment of bonuses to officials has no relation whatever to the prices paid for crops."

In referring to the question of Federal tobacco taxes, Mr. Hahn said that the industry generally does not look for any further levy on cigarettes and other tobacco products.

"The disposition at Washington," he said, "is to feel that any attempt to impose further taxes on these products would result in decreased consumption which would mean less rather than more revenue for the Government. The tobacco business is now paying $500,000,000 a year in taxes, and Government taxation experts feel that it is the ultimate possible figure and no attempt should be made to push it higher lest the purpose of the tax be defeated."

In a statement to the stockholders read at the meeting, George W. Hill, president, said:

"Again it gives me great pleasure to thank the stockholders of our company for the overwhelming approval and encouragement which, by their letters and proxies, they have given to the efforts and policies of our management and personnel.

(Continued on page 15)

MISAPPLICATION OF CLOSED BANK'S FUNDS CONNECTED WITH LOCAL CIGAR COMPANY

ALEXANDER D. ROBINSON, vice-president and treasurer of the closed Northwestern Trust Company, in this city, was held in $45,000 bail on April 12 by Magistrate Coward, charged, among other things, with conspiracy to defraud the stockholders of a cigar company of this city. The bank is said to own all the stock in the cigar company.

He will have a further hearing on April 15, at which time, according to Assistant District Attorney Franklin E. Barr, warrants will have been served on the president and vice-president of a cigar company here, which concern is said to be owned by the bank.

The defendant is already under $25,000 bail, charged with making false reports about the institution's financial condition to the State Banking Department.

"We have not got two of the defendants here," Mr. Barr told the magistrate. "As the charge is conspiracy, I will ask you to fix the hearing for Friday morning. In the meanwhile, we hope to get the two other defendants.

"The situation is this: The defendant present, in his official capacity, continually lent sums of money to the cigar company, of which the other two defendants are president and vice-president, the sum amounting in eight years to about $750,000.

"The amount charged in the warrants is only $492,000, which is the amount that comes within the Statute of Limitations. The bank owned many shares of the cigar company stock, and the defendant would continually re-buy this stock in amounts of from $50,000 to $100,000 at a time when the bank already owned it.

"He allowed the cigar company to overdraw its checking account at the bank for enormous sums, and then give its note for the amount of the overdraft. This overdraft amounted, when the bank closed, to $47,500."

Mr. Barr also charged that the defendant gave to the vice-president of the cigar company a proxy to vote the bank's stock at the stockholders' meeting, and that, as a result, the cigar company turned over assets of $128,000 to its president.

Barr alleged it was illegal for the bank to operate the cigar company.

LARGE ORDER FOR DEISEL-WEMMER

Lima officials of the Deisel-Wemmer-Gilbert Corporation have announced receipt of an unexpected order for 3,000,000 cigars of a special brand manufactured by the company in its Lima district, which includes the plant in Findlay.

The order, it was stated, was received from one of the largest Eastern distributors of cigars and tobacco products. Work on the contract has already begun in the Lima and St. Mary's factories, and will be started shortly in the Findlay plant, it is understood. This will insure additional work for a number of persons until the cigars are made.

The order was unexpected and changes the manufacturing program for the year, officials stated. It was explained that the company's factories have been operating steadily and are expected to continue to do so.

Plants operated by Deisel-Wemmer-Gilbert in the Lima district include two in Lima, one each in Findlay, St. Mary's, Delphos, Van Wert, and Wapakoneta.

NEW MURIEL SIZE AT THREE FOR TEN CENTS

The New Size "Muriel" Babies

In keeping with the trend of the times the P. Lorillard Company announces the addition of a new size in their "Muriel" line of high-grade cigars, to retail at three for ten cents, and which will undoubtedly prove a winner with those who desire a short cigar containing high-grade tobacco.

The new size is known as the "Babies" size, and is a panetela-like shape with a mild Havana filler which makes a pleasing smoke.

The new size is just being introduced in New York and other markets and the retail trade is showing considerable enthusiasm over the fact that it seems to fill a real need and makes a ready seller.

The "Muriel" is the first nationally known brand with a three-for-ten-cents size and retailers can hardly go wrong in stocking this new size and capitalizing on the popularity of the "Muriel" brand.

RECEIVER FOR INTERNATIONAL MATCH

Estimating that alleged mismanagement by the late Ivar Kreuger will cost the International Match Corporation $250,000,000, Federal Judge Francis G. Caffey, New York, on April 13th, appointed the Irving Trust Company receiver in equity for the Match Corporation.

An answer filed by Frederick W. Allen, President of the Match Corporation, consented to the appointment of a receiver.

The Court directed the creditors and stockholders to show cause at a courtroom in the Woolworth Building on May 16th why the receivership should not be made permanent.

"I've switched to CAMELS because they're FRESH"

ONCE a woman smoker has been introduced to Camels it's a case of love at first light. The first cool, mild fragrant puff of smoke from this fresh cigarette is sufficient to win her to Camels' ever-growing ranks of friends.

Maybe it's because her throat is more sensitive than a man's that she's so quick to grasp the difference between the mildness of this air-sealed cigarette and the stinging bite of parched or toasted tobaccos.

Blended from choice Turkish and mild, sun-ripened Domestic tobaccos, Camels are made with just the right amount of natural moisture and kept that way until delivered to the smoker by the Camel Humidor Pack.

These cigarettes are never parched or toasted. The Reynolds method of scientifically applying heat guarantees against that.

If you haven't smoked Camels lately, perhaps you've been missing something. Why not switch over for just one day? After you've known their rare, throat-easy mildness, then leave them — if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

"Are you Listenin'?"
R. J. REYNOLDS TOBACCO COMPANY'S
COAST-TO-COAST RADIO PROGRAMS
Camel Quarter Hour — Columbia Broadcasting System
Prince Albert Quarter Hour
National Broadcasting Company Red Network
See radio page of local newspaper for time

Don't remove the Camel HumidorPack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

CAMELS
Made FRESH — *Kept* FRESH

PHILADELPHIA.

HABANELLO DISTRIBUTION INCREASING

GEORGE ZIFFERBLATT, of George Zifferblatt & Company, manufacturers of the "Habanello" brand, returned last week from a swing around the Middle West, including Omaha, Neb. Mr. Zifferblatt reports a very successful trip, finding "Habanellos" repeating nicely wherever placed and made several highly satisfactory new connections.

The "Habanello" sales in general are highly satisfactory in view of present conditions throughout the trade.

Mr. Loovis, of F. A. Davis & Company, Baltimore distributors of the "Habanello," was a visitor at the factory last week, and reports a pleasing outlook for "Habanello" sales for this year.

The various sales representatives of the "Habanello" factory are busy working their various territories, and a nice volume of orders are coming in steadily.

CINCO WINS BOWLING CONTEST

The "Cinco" bowling team came out winners in the Cigar Manufacturers' Bowling League of Philadelphia in the play-off last week with the "Bayuk Phillies" team.

The "Bayuk Phillies" team were winners in the first half of the season, with the "Cinco" team coming out on top in the second half. In the play-off between the two teams the "Cinco" team finished with a six-point lead over their opponents and were declared the winners.

Plans for the annual banquet of the league are progressing, but definite arrangements have not been made as to the time or place of holding this interesting event.

BRENEISER ADDS "ROYALIST" TO LINE

The Breneiser Tobacco Company, Reading, Pa., well-known distributors in that territory, have taken on the "Royalist" brand, product of Grabosky Bros., Incorporated, and it is anticipated that a splendid distribution on this brand will be obtained in this territory under their able supervision.

Harry Zears, "Royalist" factory representative, is doing promotional work in Virginia, working through William Deiches & Company, Baltimore and Washington distributors, who are making a splendid showing on this brand.

BAYUK FACTORY EXPERIENCES IMPROVEMENT

AT BAYUK Cigars, Incorporated, headquarters there is a spirit of optimism prevailing due to the fact that sales of Bayuk brands are showing definite signs of improvement throughout the country, which is one of the rewards gained by producing only quality merchandise at the right price.

F. W. Layton, of F. W. Layton & Son, Bayuk distributor for the Pennsgrove and Southern New Jersey territory, stopped in at Bayuk headquarters last week and reported an improved demand on "Havana Ribbon" and "Bayuk Phillies" in his territory.

Roy Barkman, territorial manager for the State of Michigan, was at headquarters and plans were laid for further increases in sales throughout the Wolverine State.

F. B. Mueller, Indiana territorial manager, visited Bayuk headquarters, and, after returning to his territory, is sending in some very nice orders for Bayuk cigars.

Samuel Bayuk, chairman of the board of Bayuk Cigars, Incorporated, sailed from New York on Tuesday, accompanied by Mrs. Bayuk, on the SS. "Volcania," on a tour of European countries.

TRADE NOTES

N. E. Nichols, United States representative of the "Belinda" factory in Havana, visited the trade last week.

E. W. Rosenthal, of Gonzalez & Sanchez, Tampa, called on the M. J. Dalton Company last week. The Gonzalez & Sanchez brand enjoys a steady demand here.

Frank Swick, of Simpson, Studwell & Swick, Ltd., was a visitor in town last week and placed his "Chukkers" cigarettes with John Wagner & Sons. "Chukkers" are a custom-made cigarette retailing at twenty for twenty-five cents. John Wagner & Sons have already made several good placements on this brand and have received some quick repeat orders which would seem to indicate a favorable reception by the smokers of this high-grade cigarette.

O K - AMERICA !
LUCKIES are kind to your throat... I KNOW...I've smoked them for eleven years
Walter Winchell
More for your money than in any other cigarette!
You get many extras in LUCKY STRIKE as a result of that famous and exclusive "TOASTING" Process. Extra Goodness—forced in when certain harsh irritants are forced out. Extra mildness, mellow-mildness—resulting from the purging and purifying of every tobacco leaf. Extra Deliciousness—from the world's choicest tobaccos—the Cream of many Crops. Extra Mellowness—from the use of modern Ultra Violet Rays.
"It's toasted"
Your Throat Protection—against irritation—against cough
And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh
LUCKY STRIKE
"IT'S TOASTED"
Copr., 1932, The American Tobacco Co.
O. K. AMERICA
TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N.B.C. networks.

TRADE JOTTINGS.

Jack Hood, the flying salesman, and Carl Swisher, of John Swisher & Son, Jacksonville, Fla., called on Yahn & McDonnell last week. Their "King Edward" five-cent cigar has a good sale in this territory.

Yahn & McDonnell are having an astonishing demand for "Wings" cigarettes, product of the Brown & Williamson Tobacco Corporation, and which were recently reduced in price to retail at ten cents a package.

Abe Caro, "Optimo" representative, was a visitor last week and expressed himself as highly pleased with the showing his brand is making in this territory under the able distribution of Yahn & McDonnell Cigars.

Mr. Loovis, of F. A. Davis & Sons, and Mr. Recquard, of the Neudecker Tobacco Company, both distributors, of Baltimore, Md., were in town last week and made a friendly call on Yahn & McDonnell headquarters.

Sol Korn, of the Continental Cigar Company, was a visitor last week at Yahn & McDonnell headquarters, 617 Chestnut Street, in the interest of his "Martinez Chums" and "Cuban Crop" brands. Mr. Korn reports business on his brands in splendid demand.

I. Jacoby, who formerly operated a cigar store on Seventh Street above Chestnut, has moved to 736 Arch Street and is now operating under the name of the Pannonia Cigar Company and manufacturing and retailing the "Pannonia" and "Altrevido" brands.

J. C. Howard, who was recently appointed sales director of Schwab, Davis y Ca., to succeed the late Leon Schwab, who died suddenly in Los Angeles on March 11, was a visitor in Philadelphia last week calling on John Wagner & Sons.

John Wagner & Sons' "Monticello" brand is increasing its sales far beyond expectations since the advent of the new sizes and shapes under this label and which are replacing the "Carl Upmann" brand in the Wagner line.

Alvaro M. Garcia, of Garcia y Vega, called on John Wagner & Sons and spent two very pleasant days in town. "Garcia y Vega" sales are making a splendid showing in this territory under the supervision of Ben Lumley, working through John Wagner & Sons, local distributors.

William Fox, at one time associated with the American Cigar Company, Louis King Cigar Company and George Zifferblatt & Company, has opened a cigar store and manufactory at 104½ South Sixteenth Street, where he is manufacturing and retailing the "Kenmore" and "Jancy" brands. The "Jancy" retails at five cents.

FIFTH AVENUE WENT NAUTICAL

SEVERAL hundred thousand New Yorkers got the thrill of an ocean voyage without the expense from the nautical window advertising "Chesterfield" cigarettes at the northeast corner of Fifth Avenue and Forty-second Street, New York.

It drew a larger crowd than the emergency excavations on a burst water main in the middle of Fifth Avenue. Experts in crowd psychology hold that anything which can deflect the rapt gaze of New Yorkers from excavating activities must contain a rare appeal.

The features of the display were the realistic atmosphere of the wireless operator's office and the seascape seen through his porthole. There appeared another ship slowly heaving by on turbulent blue-green waves. Action was the keynote. "Sparks," the operator, was keen and tense, with headphones clamped in place and cigarette in hand. The ocean moved, the other ship moved, and the whole scene tingled with sunlit activity. A sailor remarked that he could almost "smell the salt."

The advertising message, with a terseness in keeping with the brisk air of the operator, said: "Listen—No Use Wasting Words—They're Milder—They Taste Better—They're Pure—They Satisfy."

AMERICAN MACHINE & FOUNDRY REPORT

Report of American Machine & Foundry Company and subsidiaries for year ended December 31, 1931, shows net profit of $1,716,058 after interest, depreciation, Federal taxes, etc., equivalent to $1.71 a share on 1,000,000 no-par shares of common stock.

This compares with net profit in 1930 of $2,931,110, equal, after dividends paid on 7 per cent. preferred stock which was called for redemption on August 1, 1930, to $2.82 a common share.

Including $122,471 proportionate interest in net profit of International Cigar Machinery Company not declared as dividends, nor included in surplus, total net profit for 1931 available to American Machine & Foundry Company, was $1,838,529, or $1.83 a share, on common, against $3,064,234, or $2.95 a share, on common, after preferred dividends, in preceding year.

Current assets as of December 31, last, including $3,304,886 cash and marketable securities, amounted to $4,715,386, and current liabilities were $780,065. This compares with cash and marketable securities of $3,399,080, current assets of $5,022,606 and current liabilities of $343,955 at close of preceding year.

DENBY ADVERTISING DOUBLED

H. Fendrich, Incorporated, one of the largest independent cigar manufacturing concerns in the country, is manifesting its belief in advertising and in the future of the cigar industry by inaugurating a newspaper advertising campaign on their "Charles Denby" brand which is double its 1931 campaign.

D. F. McCarthy, secretary of the company, said: "We are concentrating our advertising in newspapers because newspapers have shown their business building power better than any other medium during the last year. With the strong trend toward five-cent cigars which is reported from all parts of the United States, we expect a large increase in our 'Charles Denby' sales this year."

They're Clicking.. WITH MILLIONS

"The smoke is smooth. It's mild. No harshness." The first puff of a CHESTERFIELD telegraphs that.

Better tobaccos—that's the reason. Ripe, mellow tobaccos—Turkish and Domestic.

Not just blended, but cross-blended—that is, one kind of leaf blended with another kind—not merely mixed with it. And just enough Turkish tobacco to give the right aroma—to make the taste better.

The paper is the purest that can be made. It burns without taste or odor.

Every care is taken for just one purpose—to make the best cigarette that can be made. Try them.

They're clicking with Millions.

© 1932, LIGGETT & MYERS TOBACCO CO.

Chesterfield

THEY'RE MILDER • • THEY'RE PURE • • THEY TASTE BETTER • • *They Satisfy*

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

SHARP ATTACK upon the revenue bill passed by the House of Representatives by Secretary of the Treasury Ogden L. Mills at the opening of hearings before the Senate Finance Committee April 6 may lead to further consideration of the one-sixth increase in the taxes on tobacco other than cigars.

Criticising the hasty action of the House in increasing the corporation tax rates to 13½ and 15 per cent., discontinuing the exemption of dividends from normal income tax, repealing the net loss provisions and imposing high rates of tax on stock transfers and estates, Secretary Mills suggested that if changes are made in these provisions it will be necessary to develop other ways of securing revenue and again laid before the committee the original Treasury proposals of last December, including the increase in tobacco taxes.

The bill passed by the House, he charged, will serve only further to depress business and industry. "The cumulative effect of all these provisions is very great," he pointed out. "They tend to converge the full weight of each of them upon capital actively employed in business, and to discourage the normal flow of capital into industry and commerce at a time when business men are hesitant and industry stagnant. Their combined restrictive effect magnified by the deadening influence of the depression will in my judgment tend to retard business recovery.

"What we want to accomplish above all else at the present time," Mr. Mills declared, "is to break down the vicious circle of deflation of credit, industrial stagnation, falling prices and loss of purchasing power. To put men to work, capital must go to work. Credit must be sought and freely offered. But capital must see some chance of profit to compensate for the risk. Business men will not borrow and banks will not lend unless the enterprise offers some fair prospect of return."

The bill passed by the House, the committee was told, lacks $209,000,000 of balancing the budget. To make up this difference, as well as to offset any reductions which might be made through committee changes, he recommended the Treasury program, in which $58,000,000 from increased tobacco taxes is included. That program, he declared, would raise $1,241,000,000, which is the amount needed to balance the budget by the close of the fiscal year 1933.

The bill reported by the House Ways and Means Committee, incorporating the manufacturers' sales tax, Mr. Mills intimated, was preferable to the measure finally passed by that body. The committee bill, he pointed out, raised $1,246,000,000, which would have given a surplus of $5,000,000, while the bill passed by the House provides only $1,032,000,000.

"While the recommendations of the committee did not conform to those originally made," he commented, "nevertheless the bill was acceptable. The great merit of the bill as it now stands is that it raises $1,030,000,000 of new revenue and that, from the standpoint of the Treasury, is a most vital consideration. It is, however, susceptible to improvement in a number of important respects."

Committee hearings on taxes will run through April 22, with any discussion of tobacco taxes which may occur taking place between April 15 and 21, when the miscellaneous taxes are under consideration. There will also be considerable discussion of restoration of the manufacturers' sales tax, but this, it is believed, could not be forced through.

New Parcel Post Rates Effective October 1

Changes in parcel post rates authorized March 15 by the Interstate Commerce Commission will be put into effect October 1 next, it has been announced by the Post Office Department.

The revision given the approval of the Commission contemplates increases in the rates to nearby zones and reductions in those to the more distant areas where express competition is keener. The effect of the changes, it is estimated, will be to increase the general level of rates by 5 per cent., which will give the department approximately $7,500,000 additional revenue annually.

It was originally contemplated that the new schedule should be made effective July 1, the Interstate Commerce Commission having recommended that the date be fixed sufficiently far ahead to enable business houses to accommodate themselves to the changes. With this in mind, the Postmaster General sought the views of the various industries which are heavy users of the parcel post service as to whether that date would enable them to make necessary revisions in their price lists and catalogues.

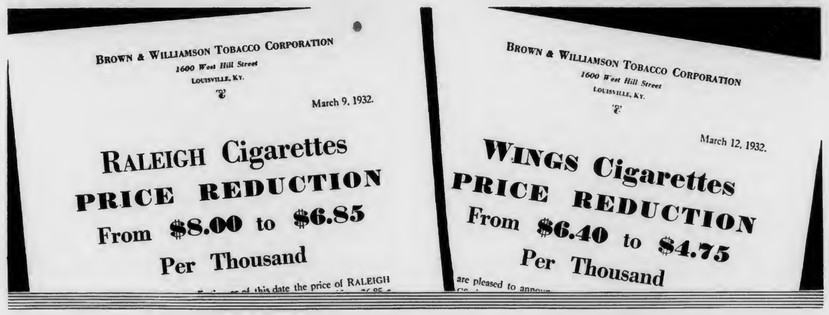
Conferences on the question developed that the mail order houses, as a group the heaviest patrons of the service, issue their catalogues in the spring and fall, and it was decided to postpone inauguration of the new schedules until October 1.

Bill Prohibiting Price-Cutting Introduced

Price-cutting which has a dangerous tendency to mislead or deceive or in any way to wrongfully impose upon or prejudice the purchasing public, unduly undermine or lessen or prevent competition or wrongfully injure a competitor, or create a monopoly in any line of business of commerce, would be made illegal under the terms of a bill introduced in the House of Representatives by Congressman Crail, of California.

The measure was introduced at the request of a prominent independent merchant of California who has made a study of chain store legislation, Mr. Crail explained. The bill will be pressed, and the Congressman will ask the Committee on Interstate and Foreign Commerce to hold hearings on it in the near future.

RALEIGH AND WINGS CIGARETTES REDUCED IN PRICE



YOUR JOBBER CAN SUPPLY YOU

BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KY.

PHIL M. PHULOFAX SAYS OPTIMISM WILL HELP YOUR BUSINESS

PHIL M. PHULOFAX, D. B. I., whose long experience in the retail cigar business and whose association with Bayuk Cigars, Incorporated, of Philadelphia, have given him a real insight into both the cigar business and human nature, and whose sales messages to retailers are regularly featured on the advertising pages of this publication, recently discussed one very important point in the retailer's code with one of our representatives.

"Optimism has been much talked of lately, but now's the time to do something about it," said Phulofax. "Of course it's not always so easy to be a Pollyana, but you'll find, if you think it over, that maybe we have helped contribute to the general low spirits. If we spend our time peeping around every corner looking for prosperity, we'll probably see only the gloom demons that lurk in dark places. What can we do about it now?

"1. Be an optimist. You know the old definition of the optimist and the pessimist—the optimist sees the doughnut and the pessimist sees the hole. There's a lot of real dough in the cigar business these days, but you'll never get a taste of it if you don't look beyond the hole. Keep yourself and your stock looking happy. No boxes and shelves almost empty as though you were afraid to buy a single new box before you had sold the last smoke. Glass bright and cellophane sparkling—but remember none of that will do much good unless your face shines, too.

"2. Consider everybody you meet as one concrete part of that big, vague public opinion. When a man asks you how business is, a disgruntled reply won't help feed the cash box. 'What's the matter,' thinks he to himself, 'business bad, not selling many cigars, nobody's selling anything, whole country's in a swell mess, better hang on to my spare cash, guess I don't need that half dozen cigars I usually buy'—and down goes a quarter and out stretches a hand for change.

"3. Above all, don't worry. If worry sticks out all over you like a week's growth of beard, friend customer is bound to notice it. Did you ever try to please a gal while you were wearing a long face? Well, every sale is a pretty coy maiden these days and takes some wooing. But they'll fall if you go about it the right way. So give your blues a good swift kick out the back door, then lock and bolt it so they'll never get in again."

SCHULTE PROFIT SHARING CONTRACT

Stockholders of the United Profit Sharing Company, at their annual meeting last week, approved a contract with D. A. Schulte, Incorporated, giving the latter company a two-year option to purchase up to 50,000 shares of United Profit Sharing common stock at $1 a share.

This action was taken in connection with the giving of United Profit Sharing coupons with purchases in the Schulte Cigar Stores, which was recently inaugurated.

SCHULTE RETAIL SALES

Schulte Retail Stores Company and subsidiaries, in their consolidated income account for 1931 show gross sales of $25,763,521, compared with $28,487,201 in 1930. After deduction of expenses, depreciation and loss on securities sold and preferred dividends, deficit amounted to $1,068,509, compared with $14,449 last year.

MODEL TOBACCO CAMPAIGN MAKES GOOD

A RECENT issue of *Printers' Ink*, commenting on the current advertising campaign on "Model" smoking tobacco, states that the figure of "Monty," "the man with the walrus mustache," is rapidly becoming famous and is probably destined to take a place in the advertising hall of fame along with the Smith Brothers, Aunt Jemima, the "Time to Retire" boy and the many other well-known advertising characters.

If you have traveled much you have seen him. Once seen, he isn't to be forgotten. His amusing face and mustache have been the feature of a series of outdoor posters advertising "Model" smoking tobacco, product of the United States Tobacco Company, since April last year.

The United States Tobacco Company makes, through a subsidiary, "Dills Best," another smoking tobacco. This brand sells for 15 cents a package, containing one and one-half ounces. This is a comparatively high price today—too high for a very large part of the pipe-smoking public. Several years ago the company sensed that the price appeal in this field was becoming most important. So it was decided to go after those smokers who didn't want to pay 15 cents. "Model" was introduced and distribution obtained for it throughout the country, particularly north of the Mason and Dixon line and east of the Mississippi.

Last year the company decided that it was time to advertise "Model." Outdoor poster locations were selected in about 700 towns and cities. Locations were chosen carefully in sections where it was thought the most prospects would be reached. Many of the locations were in factory districts.

The company realized that there wasn't a great deal that could be said about "Model" that hadn't been said many times before for other brands. The two principal appeals were price and quality. Some way must be found to present these old but vital sales points in a striking and different manner. The posters, it was agreed, must be unconventional so that they would stand out from the crowd.

During the preliminary experiments a trade character was born, the man with the walrus mustache, who seemed to possess a number of interesting attributes. The company officials liked his comical appearance so much that he was made the focal point of a series of posters. He has become the "Model" trade character, and there are indications that he is winning his way into the hearts of consumers and the trade.

He is a distinctive man in appearance. He is pictured in the posters in all sorts of settings. He talks to motorcycle cops, baseball players, waiters—any one who will listen. And his audience is eager to hear his words, although they are few and although they are always the same.

"Did you say 10 cents?" asks the cop, waiter, or baseball player.

"Yes, I said 10 cents!" the quaint "Model" character replies.

That is all there has been to the copy so far. The same question and answer repeated on every poster but under different circumstances. Old Walrus Mustache is a king of yes men. He uses the one affirmative answer to the questions of his new-found friends who get a whiff of the smoke from his ever-present pipeful of "Model" tobacco.

This year the character will enlarge his vocabulary, but everything he says will be preceded by the word "yes." The April advertisement, for example, shows him enjoying the fragrance of a rose and remarking, "Yes, I said fragrant!" Other similar advertisements will feature such words as "cool," "mild," etc. These posters are to be alternated with those bearing the original question and answer text.

Miniature posters in colors have been supplied to dealers for store display. It has been difficult to keep these up to date, because it has been necessary to change them frequently. Therefore some especially designed black-and-white cards are now being featured by the dealers. These feature the man with the walrus mustache, but are different from the regular large posters.

The United States Tobacco Company is exceptionally well pleased with the results of this outdoor campaign. Sales increases have been reported in many territories, and much of the credit is given to the popularity of the new "Model" trade character.

Through The Years Wooden Boxes Are A Mark Of Brand Prestige

Many brands of established prestige have never been packed in anything but wooden boxes throughout the years since cigar smoking was first introduced in this country. Critical smokers always demand their favorite cigar in a wooden box.

Experienced manufacturers know the value of the porosity of wood as a ripening agent for their product. They are fully aware of the fact that it assures their customers of a mellow and satisfying smoke, when properly conditioned.

The Research Department of AUTOKRAFT BOX CORPORATION has been untiring in its efforts to produce the highest grade package that will enhance tobacco values to the utmost point of satisfaction.

After years of experiment AUTOKRAFT BOX CORPORATION is still of the opinion that wood—and only wood—is the natural container for cigars, and the most beneficial material from which to fabricate a package for such use.

The new AUTOKRAFT wooden cigar box represents every new feature of cigar box manufacture—a package that meets every requirement of the cigar manufacturer.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

FATHER OF SAMUEL BAYUK DIES

THE MANY friends of Samuel and Meyer Bayuk, of Bayuk Cigars, Incorporated, will regret to learn of the death of their father, Moses Bayuk, who passed away at his home in Norma, N. J., on March 31 in his eighty-third year.

Although he was never associated with the cigar industry, Mr. Bayuk was known to many members of the trade through his sons. Mr. Bayuk was the author of several books on philosophy and had been connected with the civic activities of the Norma colony, which he helped to establish, for more than thirty years.

Mr. Bayuk was a student at several colleges in Russia before coming to this country, and was by profession a lawyer. He will be sadly missed by his sons and his many friends in the community in which he lived.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

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CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

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MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

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ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

Factor of Convenience

Stores prosper in certain lower East Side locations in New York because a city block there houses more customers than many prosperous towns.[1] Neighborhood stores thrive in well-populated suburban districts and indicate that the density of population is one point that must be given attention, in that it represents in numbers the possible buying power of the territory. Convenience, which the American people demand, is one of the largest factors in trading, and though this truth is aligned more properly with the favorable location of a store, it can not be entirely lost sight of in the measuring of a market.

Accurate Knowledge of Needs

It has been truthfully said that the measure of merchandising effectiveness is the degree of adjustment between supply and demand. This can be secured only by an accurate knowledge of the needs of the people composing the store's market. Two ways of basing this demand on fact rather than mere opinion are the "want-slip" system and "comparison shopping." Each of these systems serves its purpose equally well, but in most cases one follows the other. The former serves as a guide and a constant check on the accuracy with which the store has anticipated the community needs, both as to quantity and quality of merchandise; while the latter example, "comparison shopping," aims to ascertain what competitors are doing both in merchandising effectiveness and in service for the customer.

In studying the population it is desirable that the market analysis cover not only existing conditions but also future possibilities and probabilities. A growing section gives promise of expansion of trade, while a city decreasing in population from year to year is ordinarily unattractive to the prospective investor.

Purchasing Power

A market in its broadest sense means demand, or, in phraseology of economics, effective demand—that is, a demand with the compelling force of purchasing power behind it. One can readily confuse a readiness to purchase with ability to purchase, but obviously there is a vast difference between the two. An analysis of the buying power of the community may show in relief this variance and will definitely aid merchants to determine whether they are selling the quantity of merchandise that the community should absorb. Furthermore, it will warn them against an excessive overhead expense in the nature of advertising and display, which may be entirely out of proportion to the gross sales readily expected from the community.

There are three main sources of income within a community—the factories, the farms, and the mercantile houses. Most attention is given to the first two classes, but in general the most desirable community for a retail business is one which is not entirely dependent upon either class.

There are numerous factors concerning the industries in a community that should be studied in regard to their effect upon the total purchasing power. Just as in the analysis of population, so in the study of the industries the long-time viewpoint must be taken.

Diversification of Industries

The diversification of industries is important in relation to the effect upon total purchasing power, especially in cases where a periodical depression in one type of industry may appear. It is obvious that the purchasing power of a community whose population for the most part is employed in shoe factories is too greatly dependent upon the well-being of this industry. Should a depression occur, then practically the entire buying power of the community is threatened, whereas, were the purchasing power derived from four or five separate sources the effect would not be so marked.

Valuable information may be gathered by determining the number of factories in the community and the number of employees in each, according to whether they are men, women, or children. The factories may be further classified into groups according to wages, to show the total number of factory workers at different average wages. Then, possibly a summary can be made showing the total number of families and the size and average income of each. The family in which there is a number of wage earners will probably have more to spend for articles other than necessities, because it is usually cheaper for the members of the family to live at home than in a boarding house.

Aspects of Labor Situation

Many aspects of the labor situation in the past may be indicative of what is to happen in the future. The situation in regard to periodic strikes is of interest to any retailer who sells to laborers. In times of strikes a great financial burden has often been carried by the merchant, through the extension of credit to the workmen. Long-period wage schedules or agreements have a tendency to stabilize the market. The continuity of operation of the factories affects to a large degree the purchasing power of the employees and is itself affected by the character of the industry (whether seasonal or operating uninterruptedly throughout the year).

Condition of Markets for Industrial Products

Much thought might be given to the condition of the markets for the products of the industries, for the very existence of the latter depends upon the possibility of marketing their output. Some indication of the stability of the industries may be given by their ability to make money, though this should not be the sole criterion, because many companies make money and ap-

(Continued on Page 16)

[1] This example leads us directly to the question of store location, and it will be of interest to the reader to study the section entitled "Retail Store Location," which will appear later.

21 CIGARETTES SMOKED FOR EVERY CIGAR

MORE than twenty-one cigarettes were reached for in this country last year for every cigar that was smoked, according to calculations based on figures compiled by the United States Bureau of Internal Revenue. These figures indicate how decided is the preference for cigarettes in this country and it is pointed out by authorities in the industry that removal of impurities through the toasting process including the use of ultra violet rays has been one of the chief factors in increasing this preference. Less than twenty-five years ago there were about as many cigars smoked in the United States each year as there were cigarettes. However, the number of cigarettes reached for has increased greatly during the past quarter of a century, so that in 1931 there were 113,449,049,000 cigarettes produced in the country as compared with 5,318,892,000 cigars.

AMERICAN TOBACCO ANNUAL MEETING

(Continued from Page 3)

"Our company now has nearly 40,000 stockholders. To each of them I wish to send this message. You are partners in a great business—a business which, in 1931, showed America that courage and hard work will stand up against the attacks of an unprecedented depression. There is no reason to believe that the same courage, the same hard work, should not withstand a continuance of those same conditions in 1932, if that should be what the year 1932 has in store for American industry.

"Government figures, commencing about the middle of last year, show a decline in public consumption of cigarettes, due principally, I believe, to a shift on the part of a small percentage of smokers to other forms of tobacco. I am glad to tell you, however, that your company is, according to our estimates, continuing to increase its percentage of the total cigarette business, and continuing to increase its sales of manufactured tobacco. We go into 1932 with the same confidence with which we have gone into previous years."

The new Board of Directors consists of: Richard J. Boylan, John A. Crowe, C. Huntley Gibson, Patrick H. Gorman, Paul M. Hahn, Tullis T. Harkrader, Edmund A. Harvey, James B. Harvie, George W. Hill, James E. Lipscomb, Jr., Charles F. Neiley, William H. Ogsbury, Fred B. Reuter, Frank V. Riggio, Vincent Riggio, Thomas R. Taylor and William E. Witzleben.

GENERAL CIGAR DIVIDEND

Directors of the General Cigar Company have declared the regular quarterly dividends of $1 on the common stock, payable May 2 to stockholders of record April 16, and $1.75 on the preferred stock, payable June 1 to stockholders of record May 23.

ALLES & FISHER EARNINGS

Alles & Fisher net profit in 1931 amounted to $120,640 after depreciation and taxes, equivalent to 83 cents a share on 144,681 no par shares of capital stock. This compares with $264,230, or $1.78 a share on 148,153 shares in 1930.

NOVOTNY INCORPORATES

The Novotny Tobacco Company, New York, has been granted a charter of incorporation. Capitalization of the company is 200 shares of common stock.

Target-24 sheet poster now on the boards from Coast to Coast which have received much favorable comment from dealers everywhere. Described as one of the most striking designs used in the tobacco trade in years.

GENERAL CIGAR IN GOOD POSITION

THE EARNINGS gains scored by this company in the third and fourth quarters of 1931, according to *Standard Trade and Securities*, contrast sharply with the comparative performances of other leading cigar producers, and evidence the further improvement of its relative trade position. General's total unit sales last year were less than 1 per cent. beneath the 1930 volume. The increasing popularity of the five-cent cigar indicates that this company as a leading producer of Class A (5 cents and under) cigars is one of the few units in a position to secure future earnings gains.

Earnings expansion in the latter half of 1931 was not sufficiently substantial to offset the 37 per cent. decline in returns for the first six months. In consequence, full year profits of $54.41 a preferred share and $5.01 a common share compared unfavorably with the $64.03 a share and $6.03 a share reported for the preferred and common stocks, respectively, in 1930. Present dividend rates of $7 on the preferred and $4 on the common are considered secure.

Last year this concern produced over 775,000,000 cigars, or approximately 15 per cent. of total domestic output. The preponderance of its sales is concentrated in the five-cent field, where it is represented by the "White Owl" and "William Penn" brands. The bulk of the remainder is sold in the medium price class under the "Robert Burns" trade name. Distribution is effected primarily through an extensive system of branch warehouses. The 1931 balance sheet revealed a sound liquid financial position, cash alone having been in excess of current liabilities. The funded debt, which equaled $2,800,000 on December 31, 1931, matures at the rate of $700,000 annually.

D. EMIL KLEIN RETURNING

D. Emil Klein, head of the D. Emil Klein Company, manufacturers of the "Haddon Hall" and other well-known brands, sailed for home on board the SS. "Europa" on April 13, and is expected to arrive in New York on April 19. Mr. Klein has been in Amsterdam attending the Sumatra inscriptions.

CAMEL SALES INCREASING

At the annual meeting of the stockholders of the R. J. Reynolds Tobacco Company, S. Clay Williams, president of the company, stated that "Sales of our 'Camel' cigarettes are improving their position in relation to other brands." Directors of the company were re-elected.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

pear to be well managed but in time of stress fail completely, as was evidenced in 1921.

Habits of Daily Living

The purchasing power of a locality is reflected to a large extent in daily living habits. Those families owning their own homes appear for the most part more progressive, and the fact of their investment would show a tendency toward permanence. This factor would not be of much importance in a metropolitan district because of the predominance of apartment houses, but in the smaller communities and suburban districts it is indicative in a general way of the prosperity of the community. If the homes are not owned, an examination of the average rental compared with the average wage would play its part in determining the purchasing power.

Considerations Affecting Farmers

The analysis of a farming community applies to territory at some distance from the proposed store, because farmers must trade much farther from home than do factory and office workers. In a practical analysis of such a nature it is necessary to determine the approximate extent of the trade territory, both actual and potential.

Concerning the farmers themselves there are many factors that may be indicative of their potential purchasing power. The number of farmers that own the land they till, the number that are renters, the average size of their families—all such factors as these should be informative.

If the products of the farms, when it reaches the final market, is to be sold at a price within the reach of the public, the original cost must be low enough to permit the addition of all transportation charges and still leave a fair price for the farmer. Hence, relevant to this subject is a study of such matters as the character and condition of the soil and the climate in relation to their effect upon the production of bountiful yields of such a quality that good prices can be secured. Marketing of his product is of vital importance to the farmer, and therefore the facilities for reaching the market must also be studied. Distance of haul and shipment play a material part in the final return to the farmer. The stability of the farmer's income depends upon the success of his crops, which in turn depends upon such physical factors as the uncertainties of the weather and the ravages of insects or of plant diseases. Therefore the past can profitably be examined concerning the recurrence of crop failures and whether the farmers rotate and diversify their crops to alleviate the danger of complete failure.

Employees in Mercantile Establishments

The mercantile class of employees sometimes form a considerable proportion of the population of a city and in such case must be considered in regard to their purchasing power. Somewhat the same methods of procedure can be pursued for them as for the industrial class. Other special groups will be frequently found that are of sufficient number to justify a separate analysis. In many sections, for instance, the railway employees form a major part of the population.

Naturally, no one merchant will find it necessary or advisable to follow all the foregoing suggestions. One of the difficulties in market surveying is that the investigator may find himself involved in such a mass of detail that he will become hopelessly lost. Each surveyor must decide what is of practical application to his own particular problem and must weigh the expense involved against the returns to be reasonably expected.

Competition

Undoubtedly one of the vital elements affecting a market is competition. It is not only important to know how many competitors there are, their size and financial strength, but it is necessary to have a full knowledge of the approximate quality of their merchandise and the service they offer to the public. Such factors as these really constitute competition.

Who the competitors are, especially those selling similar merchandise, either of a higher or lower grade, will logically present itself as the first question in the mind of the merchant. Other merchants selling a different line of goods may become competitors through the act of substitution, as is witnessed in our music stores, where the radio dealer has truly become a competitor of the graphophone merchant. Competitors may then be classified, on this basis, into two groups, (1) direct and (2) substitute, while another grouping might readily be made by classifying them with respect to location, as those within the community and those outside. Among the outside competitors looms the mail-order business as probably the largest, but if the community is near any of the metropolitan centers a still more difficult problem of competition is presented.

The character of competition varies in different communities. In some there is "cut-throat" competition, while in others there seems to be a healthy spirit of cooperation. Generally speaking, the former type has been found to work to the detriment of all parties and has been curtailed to a large degree. In its place is growing a more friendly spirit of cooperative action, as is shown in the case of hundreds of retail merchants' organizations now in existence.

General information concerning competition is not sufficient; it must be supplemented by more specific data concerning the individual competitor. The number of competitors gives an idea of the volume of competition that must be met. The length of time that each merchant has been in business affects to some degree his good will which must be met in competition. The size and financial strength of a competitor reflects very truly his potentialities for the future. If information can be obtained concerning the amount of business that competitors have done during past years, then their progress can be compared with the merchant's own record, by which he can accurately fix his position in the market.

The size of a competitor's business is important, for, generally speaking, the larger retailer has a distinct advantage, provided the market will absorb his stock. He is enabled to carry a wider variety of merchandise, and he can do business in a more attractive manner, with advertising on a proportionate scale. At the same time, the mere fact of size proves an excellent advertising feature, because there seems to be a certain tendency on the part of the public to estimate the success of an enterprise by its size.

The location of the store may well be compared with that of competitors, for it is hard for a store to compete if it is not well situated. The retail center of most cities is constantly changing, and a wise merchant will always keep in touch with such tendencies of the market and keep pace with them.[2]

The surveyor will find it valuable to ascertain how many and what lines of goods the chief competitors sellers. Some information of this nature can be ob-

[2] This is further discussed in the section on Retail Store Location.

BROMILEY-ROSS PLACE ADVERTISING OF AMERICAN TOBACCO COMPANY

IRVING BROMILEY, vice-president, Outdoor Advertising, Incorporated, and Donald G. Ross, vice-president, General Outdoor Advertising Company, Incorporated, resigned from their respective companies on March 3d to open their own outdoor advertising agency, Bromiley-Ross, Incorporated. They will be located at No. 1 Park Avenue, New York City, and will place the outdoor advertising of the American Tobacco Company.

During the past twelve years, Mr. Bromiley has been responsible for many national poster advertising campaigns, including "Blackstone" cigars, and also handled the poster and paint campaigns of all brands of the American Tobacco Company and the American Cigar Company, including "Lucky Strike" cigarettes, "Bull Durham" tobacco, "Tuxedo" tobacco, "Five Brothers" tobacco, and "Cremo" cigars.

Mr. Bromiley will be president and Mr. Ross vice-president and treasurer of the new company. Mr. Ross is known from coast to coast as the dean of the outdoor advertising industry.

PHILLIP MORRIS TO REDUCE CAPITAL

Phillip Morris Consolidated, Incorporated, is calling a special meeting for April 5th, when stockholders will be asked to approve a plan for reducing the authorized capital and cutting the number of outstanding common shares in half. The plan calls for reducing the present authorized 146,500 shares of $25 par 7 per cent. Class A stock to 125,000 authorized shares, and cutting the present 1,200,000 authorized shares of no-par common to 600,000 shares of $10 par common. Stockholders will be asked to exchange their present common stock for the new $10 par common on the basis of two no-par shares for one share of the new common.

RETAIL STORE PROBLEMS

(*Continued from page 16*)

carry, and, if possible, which are the most successful tained by means of a system of "comparison shopping" mentioned before.

In the highly competitive condition of the retail field at the present time the service that the store renders affects to a considerable degree the sales volume obtained. The surveyor should investigate what services competitors offer and should watch for signs of appreciation of these services among the customers. The merchant may thereby be saved the installation of some expensive and ineffective system of service.

To a large degree the success of any business is dependent upon the character and ability of the chief executive. Therefore, a merchant needs to obtain a clear idea concerning the abilities of the executives with whom he has to compete. Are they lax or aggressive, young or old?

Very naturally much of the desired information regarding competitors will be difficult to secure, and the means of obtaining it depend largely upon the ingenuity of the investigator. There are certain available sources of information, but much can be ascertained from the competitor himself, either through cooperation or as a result of observation on the part of the surveyor. The merchant's customers also can be interviewed with much profit.

(To be continued)

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

TAMPA PRODUCTION CONTINUES GAIN

CIGAR production in Tampa factories continues to keep ahead of the same period of last year, and figures for March disclose a total of 30,121,000 cigars produced, which is approximately 2,000,000 more than the February production but the same figure behind the same month of last year. Figures for the first three months of 1932, however, are some 276,000 cigars ahead of the same period of last year.

March production by classes was as follows: Class A—14,072,000; Class B—402,000; Class C—11,960,000; Class D—3,522,000, and Class E—14,415. Classes C and D showed a substantial increase over February figures, while Class A increased only 400,000 in the same period.

CIGARETTES AID BUILDING FUND

Roman Catholics in the north of England are building a great cathedral with the assistance of smokers.

The new cathedral in Liverpool of the Church of England has been hailed as the finest architectural monument built in England in a generation, and it is the ambition of the Roman Catholics to have an equally fine religious center in this city.

However, the cost has been estimated at $12,000,000, and to help in the collection of funds "Cathedral" cigarettes have been placed on the market. The package bears a miniature picture of the proposed building.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

ANTONELLA:—46,009. For cigars and cigarettes. March 11, 1932. Masterpiece Cigar Company, Grand Rapids, Mich. (This certificate is issued upon presentation made to us that the trade-mark or trade name herein specified, though apparently not heretofore registered in any of our Affiliated Bureaus, has been in use by the registrant since 1914.)

ABBOTT:—46,010. For all tobacco products. February 15, 1932. D. Emil Klein Co., New York, N. Y.

GATEWOOD:—46,011. For briar pipes and smokers' articles. March 21, 1932. Continental Briar Pipe Co., Inc., Brooklyn, N. Y.

CONFIRMO:—46,016. For all tobacco products. March 28, 1932. T. E. Brooks & Co., Red Lion, Pa.

TEBSON:—46,017. For all tobacco products. April 4, 1932. T. E. Brooks & Co., Red Lion, Pa.

G. A. KOHLER & CO.'S:—46,019. For all tobacco products. April 4, 1932. American Colortype Co., New York, N. Y.

TRANSFERS

TWO REDS:—14,998 (Tobacco World). For cigars and stogies. Registered December 20, 1905, by W. P. Lozier, Mt. Pleasant, Pa. Transferred March 14, 1932, by F. M. Howell & Co., Elmira, N. Y.

EL CONFIRMO:—28,046 (United States Tobacco Journal). For cigars, cigarettes and cheroots. Registered December 19, 1903, by Wm. Steiner Sons & Co., New York, N. Y. Transferred by Consolidated Litho. Corp., successors to original registrants, to T. E. Brooks & Co., Red Lion, Pa., March 26, 1932.

COLLEGE MAN:—25,373 (Trade-Mark Record). For cigars. Registered September 24, 1901, by Henry Drucker, New York, N. Y. Transferred by Harry Prochaska, Inc., successors to original registrants, to F. W. Sommerfeld Cigar Co., Miami, Fla., March 28, 1932.

WINGERTER'S CLAY CIGAR:—36,974 (United Registration Bureau). For cigars. Registered October 11, 1911, by G. B. Wingerter & Son, Erie, Pa. Transferred by E. G. Wingerter, Chicago, Ill., successor to original registrant, to A. A. Brugger, Erie, Pa., March 23, 1932.

TALKIE:—45,703. For all tobacco products. Registered April 28, 1930, by Consolidated Litho. Corp., New York, N. Y. Transferred to W. H. Snyder & Sons, Windsor, Pa., April 1, 1932.

TALKER:—45,684. For cigars. Registered February 18, 1908, by C. B. Henschel Mfg. Co., Milwaukee, Wis. Transferred to Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to W. H. Snyder & Sons, Windsor, Pa., April 1, 1932.

VERDI:—4,428 (Trade-Mark Record). For cigars. Registered September 17, 1887, by Geo. Schlegel, New York, N. Y. Through mesne transfers acquired by Gonzalez & Mendez, Inc., Tampa, Fla., and re-transferred to F. W. Sommerfeld Cigar Co., Miami, Fla., July 28, 1926.

RE-REGISTRATION OF ABANDONED OR UNUSED TRADE-MARKS

Notice is hereby given that an application has been filed with us for the registration of the following trade-marks, and that same will be registered unless we shall be advised of the existence of any valid rights thereto by written notice, setting forth specifically the basis of such claims on or before the registration date set opposite the trade-marks:

ELMHURST .....April 27, 1932.
HUNTLEIGH .....April 27, 1932.

PARK & TILFORD REPORTS

Park & Tilford, Inc., and subsidiaries show net loss for 1931 of $288,008, after expenses, interest, etc. This compares with net profit in 1930 of $124,562, equal to 57 cents a share on 218,722 shares of no par capital stock.

49 ORCHESTRAS ON LUCKY STRIKE HOUR

FORTY-NINE orchestras have played during the Lucky Strike radio dance hours since Walter Winchell first sent the magic carpet flashing out of New York to pick up the waltzes of Wayne King and his crew in Chicago last November. Among the forty-nine were orchestras playing from Berlin, Paris, London, Dublin, Havana, Buenos Aires, Montreal, Toronto, as well as leading American orchestras from New Orleans to St. Paul and from Los Angeles to Boston and cities in between. Many of the orchestras, of course, have played several times in Lucky Strike programs. Moreover, the magic carpet has made two non-stop flights to Berlin, two to Havana, and two to Buenos Aires. These trips of the magic carpet indicate how well it has lived up to the promise made for it to bring to radio listeners "sixty modern minutes with the world's finest dance orchestras." In addition, the Republican and Democratic National Committees accepted an invitation to utilize a portion of the period to acquaint listeners with the viewpoints of the nation's political leaders on vital issues in advance of the conventions.

KING DAVID ORGANIZED IN DELAWARE

The King David Cigar Company, Inc., has been granted a charter in the State of Delaware, with a capital of $10,000, to deal in tobacco products of all kinds. J. M. Frere, J. A. Frere and R. C. Murphy are the incorporators.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of THE TOBACCO WORLD, Published Semi-Monthly at Philadelphia, Penna., for April 1, 1932.

State of Pennsylvania, County of Philadelphia, } ss.

Before me, a Notary Public in and for the State and County aforesaid, personally appeared Gerald B. Hankins, who, having been duly sworn according to law, deposes and says that he is the business manager of THE TOBACCO WORLD, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 411, Postal Laws and Regulations.

1. That the names and address of the publisher, editor, managing editor and business manager are:

Publisher—The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.
Editor—Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.
Managing Editor—None.
Business Manager—Gerald B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

2. That the owner is: The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.—Hobart B. Hankins, 236 Chestnut Street, Philadelphia.

3. That the known bondholders, mortgagees and other security holders owning or holding one per cent. or more of the total amount of bonds, mortgages or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given, also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association or corporation has any interest direct or indirect in the said stocks, bonds or other securities than as so stated by him.

GERALD B. HANKINS,
Business Manager.

Sworn to and subscribed before me this 31st day of March, 1932.

JOHN J. RUTHERFORD,
Notary Public.

My commission expires January 22, 1935.

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VOLUME 52 No. 9

THE TOBACCO WORLD

BOITE NATURE BOXES ARE CREATING BRAND SALES

Cigar brands showing increased activity at this time are, in many localities, being offered in the distinctive Boite Nature package.

The rich appearance of this natural wood box is winning smokers in all parts of the country for cigars thus packed.

AUTOKRAFT BOX CORPORATION has a completely equipped department specializing in all types of Boite Nature containers. Its facilities assure the highest grade of workmanship, and the prompt delivery of orders.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

BOXED IN WOOD

Keeps cigar fragrance alive
Keeps display windows lively

NO OTHER form of packaging keeps your cigars so completely alive, so constantly and advantageously *on sale*, as wooden boxes.

All along the line, from manufacturer to consumer, the cigar that is boxed in wood is the *preferred* cigar. The fresh, clean wood smell blends with the leaf's natural fragrance to produce a finer, mellower, more inviting aroma. The good cigar gets better—the "not-so-good" cigar becomes as good as nature can make it. Connoisseurs, men who value good cigars for their richness, color and finish, and smoke them for unadulterated enjoyment, insist on cigars packed in wooden boxes because they know what a difference wood can make. To many smokers, a cigar not boxed in wood is no cigar at all.

Your own retailers need cigars packed in wood for convenience in handling and storing, for the better dressing of windows and cases. Insist on wood, nature's own container. It has no substitute.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52

THE TOBACCO WORLD

Number 9

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year | PHILADELPHIA, MAY 1, 1932 | Foreign $3.50

EDITORIAL COMMENT

A STUDENT from a nearby university was in the office recently and the conversation naturally drifted to student smoking. He expressed surprise that the cigar manufacturers were not more aggressive in trying to create cigar smokers among the college boys.

He related that on his particular campus a cigarette company paid one of the students a straight salary to keep in close contact with all activities, such as student smokers, banquets, fraternity gatherings, alumni activities, etc. He told us that it was his business to see that a sufficient number of cartons of a particular brand of cigarettes were furnished gratis to all such gatherings. He expressed the opinion that it had paid this particular cigarette company much more than the investment.

The question was asked why some progressive cigar manufacturers did not make the attempt to create cigar smokers by the same method. Frankly, we could not answer the query except by way of explanation to say that the large cigar manufacturing corporations were "sot in their ways," and under present conditions not enthusiastic about any new methods of creating cigar smokers. Their chief aim and object at this time seemed to be to keep down their percentage of decrease in the sales department.

He did state, however, that one cigar concern was furnishing its radio stars free of charge to college banquets, etc. They presented a thirty-minute program and, of course, in presenting the entertainment the toastmaster announced that it was by courtesy of the Blank Cigar Company, and the suggestion was added that when the guests again purchased cigars to be sure and ask for a "Blank" cigar. Naturally only this particular brand of cigars was served at the dinner.

The suggestion was offered that a small cigar of the panatela shape, retailing at a nickel or six for a quarter, passed around at college smokers, banquets, etc., might be a step in the right direction to create cigar smokers among college students.

This student's suggestions were of such a constructive nature that we thought them well worth passing along to the cigar manufacturers. Such a program on any scale involves some expense, but compared to the money now being invested by cigar companies in radio advertising, it would be a drop in the bucket. It creates a personal contact which neither newspaper, magazine nor radio advertising can accomplish.

With the millions now being invested in these forms of publicity the fact remains, as established by cigar withdrawal figures, that these large competitors are, at the most, doing nothing more than taking business away from each other. There is no indication of an upward trend in cigar consumption.

We are continually being told of the tens of thousands of letters that are received weekly by the entertainers on the various cigar manufacturers' programs. But what we want to know is, how many cigars do these programs actually sell? And, of course, there is the other side to the question. How many less cigars would be consumed if it were not for the radio advertising programs?

If all these cigar manufacturers now broadcasting would pool their interests and put on a full hour program once or twice a day, and devote the time allotted for advertising remarks to winning back old cigar smokers and creating new ones, regardless of brands, we think much more would be accomplished, and it would certainly cut down the figures opposite "advertising appropriation."

Some time during the hour, there would be opportunity to mention the brands of all cigar manufacturers contributing to such a program. And it is not necessary to point out that the finest talent on the air could be procured at comparatively little expense compared with the individual expenditures for this type of advertising.

In proportion to their distribution and other advertising, every contributing firm should maintain its fair share of business, and also get its proportionate share in any increases.

The cigar manufacturing industry is notorious for its inability to co-operate. There seems to be an inherent jealousy which, in our opinion, has contributed much to the decline in cigar smoking. The fantastic efforts of various members of the industry to introduce new fads, which have been immediately imitated by competitors large and small, have cost amazing sums of money without producing any worth-while results in brand prestige or cigar sales generally.

It must be obvious by this time that this alarming decrease in cigar sales must vitally affect the earnings of all cigar companies. Interest on bonds, and dividends on preferred and common stocks cannot be maintained under such conditions. The profits on the decreasing sales cannot maintain these dividends, no mat-

(*Continued on Page 15*)

PHILADELPHIA.

GEORGE ZIFFERBLATT VISITS BALTIMORE

GEORGE ZIFFERBLATT, of George Zifferblatt & Company, spent a few days in Baltimore the past week, visiting with F. A. Davis & Company, distributors of "Habanello" cigars, and where Mr. Zifferblatt met Bernard J. Meyers, "Habanello" sales representative.

E. B. Josephson, of Lewis & Leidersdorf, of Milwaukee, was a visitor at the "Habanello" factory last week.

"Habanello" salesmen are busy in their territories contacting the various jobbers, and the factory is receiving pleasing reports that the "Habanello" brand is going over in a big way wherever it has been placed.

GRABOSKYS TO GROW LEAF TOBACCO

It was learned last week that Sam Grabosky and his brother Ben, who formerly headed the G. H. P. Cigar Company, have leased several hundred acres of land in Connecticut from the Wetstone interests and will produce a crop of Shadegrown and Broadleaf tobacco on the land this season. About 100 acres will be devoted to Shadegrown, it is understood, and the balance to Broadleaf.

ROTHSCHILD IN HAVANA

Harry S. Rothschild, recently elected president of Bayuk Cigars, Inc., and Harry P. Wurman, vice-president of the same company, sailed from New York last week for Havana, where they will spend a few weeks inspecting Cuban leaf tobacco and making purchases of Havana filler for their company.

CORAZA CIGAR FILES PETITION

A voluntary petition in bankruptcy was filed by the Coraza Cigar Company, 123 North Seventh Street, last week following charges involving the affairs of the closed Northwestern Trust Company. No schedule of liabilities or assets was filed. John M. Hill is referee and Edward P. Geuther counsel.

MacANDREWS & FORBES EARNINGS

MacAndrews & Forbes Company, licorice manufacturers, and subsidiaries, report for the year 1931 net profit of $764,664, as compared with $1,002,182 in the previous year.

BAYUK SALES INCREASING

L. W. LEECH, manager of the St. Louis branch of Bayuk Cigars, Inc., was a recent visitor at Bayuk headquarters and talked over plans with sales manager, A. J. Newman, for increasing distribution and sale in his territory.

The Bayuk factory is experiencing a fine increase in orders which has been evident for the past several weeks, and a decided feeling prevails that these increases will continue.

Charles Cox, special branch representative, after a swing around the circle of Bayuk branches, visited headquarters with good reports of demand for Bayuk products.

Wagner & Shurendorf, Logansport, Ind., are increasing the distribution and sale of Bayuk brands in their territory and have recently been receiving the assistance of F. H. Stutz, Bayuk salesman.

An account has been opened up with Ed. Phillips & Sons Company, Minneapolis, Minn., and the new jobber is being aided by Roy D. Harris, Bayuk territorial man, in the placing and sale of Bayuk cigars.

A. D. Hanauer, Trenton, N. J., is meeting with success and expanding the distribution and sale of "Bayuk Phillies" and "Bayuk Havana Ribbon" in this territory.

Bayuk's are now producing a new cigar known as "Little Phillies," which is a true cigar in every sense, although retailing at five for ten cents.

A. Jos. Newman, vice-president and general sales manager, states: "We believe that the perfection of this small cigar is a real service to the public. Conditions of modern life present innumerable occasions when a brief smoke is desirable. We are happy to offer men such a cigar, and to add to the reputation of Philadelphia as an important center of the cigar-making industry."

Production of the new cigar was made possible through developments of a machine which turns out a shredded-filler cigar three and one-quarter inches in length in what is known as the "londres" shape. Only cigar tobacco is used, and the finished product comes off the machine all clipped and ready to smoke.

The new product is characterized as "not a compromise cigarette, but a smaller edition of present products."

I. Goldberg, prominent jobber of Coatesville, Pa., and distributor of Bayuk cigars, has returned to his home after some time spent in the hospital as the result of injuries to his leg. Mr. Goldberg is recovering nicely, which is pleasing news to his many friends.

O K - AMERICA !
LUCKIES are kind to your throat... I KNOW...I've smoked them for eleven years
Walter Winchell
More for your money than in any other cigarette!
You get many extras in LUCKY STRIKE as a result of that famous and exclusive "TOASTING" Process. Extra Goodness—forced in when certain harsh irritants are forced out. Extra mildness, mellow-mildness—resulting from the purging and purifying of every tobacco leaf. Extra Deliciousness—from the world's choicest tobaccos—the Cream of many Crops. Extra Mellowness—from the use of modern Ultra Violet Rays.
"It's toasted"
Your Throat Protection—against irritation—against cough
And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh
LUCKY STRIKE
"IT'S TOASTED"
Copr., 1932, The American Tobacco Co.
O. K. AMERICA
TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N.B.C. networks.

BOWLERS HOLD ANNUAL BANQUET.

THE annual banquet of the Cigar Manufacturers' Bowling League of Philadelphia was held on Saturday evening, April 23d, in the roof garden of the Hotel Adelphia.

E. M. Hirst, of the "Bayuk Phillies" team, presided as master of ceremonies.

The "Cinco" team was the winner of the season, and becomes the permanent holder of the Leschey-Myers trophy, having been the season's champions three times in the past five years.

The "Cinco" team was also awarded first prize for this season, which was a handsome plaque, donated by George H. Snyder, Inc.

Individual prizes were awarded to each member of the "Cinco" team, which were attractive pen sets, donated by the Consolidated Lithographing Corporation.

Second prize was awarded the "Bayuk Phillies" team, and was a beautiful cup, donated by the U. S. Printing and Lithographing Company.

A merchandise order was won as a prize by Dougherty, of the "Cinco" team, for the highest average score throughout the season, and was donated by Banes & Mayer, lithographers.

A merchandise order was also won by Webb, of the "Royalist" team for the highest three-game score, donated by the American Colortype Company.

A beautiful vase was won by Giles, of the "Cremo" team, for the highest individual game score, donated by the Ketterlinus Lithographing Company.

The Littlefield Review furnished excellent entertainment during the evening, by a series of beautiful classical dances, and other talent entertained the guests with a series of popular songs.

Among the guests were Mr. Schrink, known as the "Judge Landis" of the bowling fraternity; Billy Knox, who presented the prizes, and who was the first man to make a perfect score of 300 in an A. B. C. tournament; Harry Bergman, of Bergman & Truck, who operate the bowling alleys where the Bowling League games were played this season; T. G. Ketterer; John P. Sweeney, sales manager of the "Cinco" Company; Henry A. Voice, of the Consolidated Lithographing Corporation, and George and Allan Snyder.

The banquet was the usual crowning success of the season.

UNITED STATES CIGARETTES BARRED FROM COLOMBIA

Cigarette smokers in the South American country of Colombia may use United States tobacco, but not the ready made United States cigarettes, if plans of the Compania Colombiana de Tobaco, the state tobacco trust, materialize, according to a report to the Commerce Department at Washington, from Trade Commissioner S. J. Roll, Bogota.

The Compania Colombiana de Tobaco is experimenting with a new cigarette, made entirely of American tobacco, 80 per cent. Virginia and 20 per cent. Burley, to compete with American cigarettes.

At present it is claimed that they taste very much like American cigarettes and it is believed in local trade circles that they may become a substitute for the popular American brands in Colombia. Because of the high duty on tobacco, these cigarettes will have to retail for at least thirty centavos (par 0.01 cent) per package of eighteen. The very best grade of Virginia and Burley is being used in order to justify the payment of the import duty of ten pesos per kilo on raw tobacco.

TRADE NOTES

J. Oliver Snyder, publicity man for E. Snyder & Son, Hampstead, Md., on their "Happy Heine" cigar, was a visitor at Yahn & McDonnell headquarters last week. The "Happy Heine" cigar is meeting with a cordial reception wherever it has been placed.

George Stocking, of the Arango y Arango factory, was a visitor in town last week showing some very attractive new sizes of their "Don Sebastian" brand, which is distributed in this territory by John Wagner & Sons.

The "Monticello" brand, which is controlled by John Wagner & Sons, and which has taken the place of the "Carl Upmann" brand in the Wagner line, is showing a substantial increase in sales.

The cigar department of N. Snellenburg & Company, featured the "Monticello" last week in their Twelfth Street window with very good results.

Ben Lumley, "Garcia y Vega" representative and also representative of the Sommerfeld Cigar Company, on their "Dulce" and "Verdi" brands, returned last week from a trip through New York State as far as Buffalo and reports a highly successful trip.

Increased sizes of the "Garcia y Vega" brand have been received by John Wagner & Sons, local distributors, and have been well received by the trade.

Paul Brogan, vice-president of Yahn & McDonnell Cigars, 617 Chestnut Street, has been confined to his home for a few days suffering from laryngitis. We are glad to report, however, that Mr. Brogan was able to return to his desk this week.

Abe Caro and Anthony Cueva, of A. Santaella & Company were visitors at Yahn & McDonnell, local distributors of the "Optimo" cigar, last week. "Optimo" sales are holding up exceptionally well under their supervision.

Harry Tint, has been featuring the "Burlington Arcade Special" cigar in his stand in the Burlington Arcade with wonderful success. The "Burlington Arcade Special" retails at five cents and up.

Mr. Tint is also displaying some beautiful cabinets of "La Corona", "La Intimidad" and "Belinda" cigars, each cabinet containing six sizes. The cigars are all English Cabinet selections in a handsome cedar cabinet and a plain cedar box inclosed in the cabinet. These cabinets are selling exceptionally well.

HOLLIDAY VICE-PRESIDENT BROMILEY-ROSS

S. N. Holliday has been elected vice-president and secretary of Bromlley-Ross, Inc., New York, newly formed company now handling the outdoor advertising of the American Tobacco Company's products. He has been engaged in outdoor advertising work for many years. When the General Outdoor Advertising Company was formed in 1925 Mr. Holliday became assistant to the president and, later, national copy director of that organization, which position he held with Outdoor Advertising, Inc., until his resignation, recently.

CIGARS ADVERTISED ON POSTAGE STAMPS

Since the new issue of postage stamps by Guatemala advertising the fact that that country produces fine coffee, other members of the Universal Postal Union have asked the question as to whether postage stamps could not now be used to advertise cigars, etc.

Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against perfume and powder odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time

She smokes FRESH cigarettes

. . . not parched or toasted

WHEN you buy Camels you get *fresh* cigarettes. That's why women particularly prefer them.

Cool, refreshing smoke that is mild all the way down, with no trace of parch or bite to sting the tongue or rasp the throat.

That's because Camels are *made* right and *kept* right.

Made of choice Turkish and sun-ripened Domestic tobaccos that are properly conditioned; that contain just the right amount of natural moisture.

Kept in factory-prime condition until they reach the smoker by the air-sealed, Camel Humidor Pack.

The select tobaccos that go to make up your Camels are never parched or toasted.

The Reynolds method of scientifically applying heat guarantees against that.

If you've never experienced the delight of a cigarette that has never been parched or toasted switch to Camels, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

CAMELS

***Made* FRESH—*Kept* FRESH**

© 1932, R. J. Reynolds Tobacco Company

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

WITH hearings on the new revenue bill completed, the Senate finance committee is drafting the measure which it will sponsor in the Senate, to be reported early in May.

With business showing little or no signs of improvement, members of the committee are faced with a most difficult task in deciding where the burden of more than one billion dollars which must be raised shall be imposed.

During more than two weeks of hearings, the committee heard the House tax proposals flayed by representatives of the industries affected, who were unanimous in their declaration that their several trades could not survive the burden of the House rates, expressing a preference for a manufacturers' sale tax as more equitably distributing the load.

Tobacco taxes entered but briefly into the discussions before the committee, Emerson Ela, of Madison, Wis., representing the Wisconsin tobacco producers, urging that the tax on manufactured tobacco be increased to 21 cents per pound, as recommended by the Treasury, but refunding to manufacturers four cents a pound on tobacco bought of co-operatives. This, Ela asserted, would enable the co-operatives to secure at least three cents a pound more for their tobacco than they are now getting and both the grower and manufacturer would benefit, although it did not appear how this would aid the Government's revenues except that it was hoped tobacco consumption would increase thereby enabling the Government to secure more money.

Ela attacked the large tobacco corporations which, he declared "made vast profits during the most disastrous business year of 1931." The Reynolds Tobacco Company, he told the committee, was reported to have made $36,000,000 on $100,000,000 of capital and the Liggett & Myers Tobacco Company to have made a profit of $23,000,000 on $60,000,000 or $70,000,000 of capital.

The proposed increase on manufactured tobacco would raise $7,000,000 during the fiscal year 1933, he declared, which the Reynolds Tobacco Company could pay alone "out of their 1931 net profits and still pay a net return of 29 per cent. on their capital in the year of 1931, when most business was suffering disaster."

Questions by Senator Barkley (Dem.), of Kentucky, clearly indicated that he would not favor the proposal which, he asserted, would penalize the grower who refused to join the co-operative.

Amendment of the present taxing provisions on cigarette papers to rectify what he terms "a grave injustice" to importers and manufacturers of books of 100 leaves or more, was asked by David Spiegel of Max Spiegel & Sons Company, New York.

Under the present law, he said, cigarette paper books of twenty-five leaves or less may be distributed tax-free. Certain manufacturers of smoking tobacco have adopted the practice within the last year or so of distributing forty or fifty leaves of paper with each ounce of tobacco without the payment of tax by furnishing the paper in the form of two books of twenty or twenty-five leaves each. This is made possible, he declared, by the wording of the law, which fails to limit the quantity and manner in which the small books may be distributed tax-free.

Checking of the practice would increase the Government revenues $900,000 to $1,000,000 a year, Mr. Spiegel estimated, and would relieve the manufacturers and importers of standard 100-leaf books on which taxes are paid of the competition afforded by the tax-exempt papers. He urged that tax-exempt distribution be limited to one book of not exceeding twenty-five leaves given free with each package of not less than one ounce of tobacco.

Cigar Firms Ordered to Discontinue Use of Word "Havana."

Orders requiring four Pennsylvania cigar manufacturers to discontinue the use of the word "Havana" in connection with cigars not made from tobacco grown in Cuba have been issued by the Federal Trade Commission, it was announced April 23d.

The manufacturers involved were W. H. Snyder & Sons, Windsor; John F. Reichard, trading as the Manchester Cigar Company, York; T. E. Brooks, trading as T. E. Brooks & Company, Red Lion, and Herbert L. Smith, Windsor.

The respondents in these cases, the commission explained, used the word "Havana" as part of the trade names for their cigars. The orders require that, if used, such names must be accompanied by a statement or phrase equally as prominent which clearly indicates that the cigars do not contain Havana or Cuban tobacco, or that they are composed entirely of certain tobacco none of which is Havana or Cuban, or that they are not made entirely from Cuban tobacco, as the case may be.

"'Havana' as a name for cigar tobacco is no doubt the oldest in America as it has been used since the days of the Spanish explorers to describe that tobacco grown in Cuba and now known the world over for its excellence," the commission declared in announcing issuance of its orders. "The terms 'Havana tobacco' and 'Cuban tobacco' are synonymous in meaning and are used interchangeably."

BAYUKS OPERATING AT 95 PER CENT.

ONE hundred and eighty-two additional employees have been taken on by Bayuk Cigars, Incorporated, since April 1, according to an announcement by A. J. Newman, vice-president and general sales manager. The company's factory, the largest cigar manufacturing plant in the world, is now operating at 95 per cent. capacity, an increase of approximately 25 per cent. over the first quarter of the year. Production in April will equal that of the peak month in 1931.

"The increase," Mr. Newman says," can be largely attributed to an intensified selling effort, including close and frequent contact with the trade, a reduction in the price of the company's 'Mapacuba' brand, and a special price inducement to consumers on Bayuk 'Phillies' that has proved particularly attractive to them and to the retailers. Demand for 'Phillies' has grown to the point where the company's production operations are just able to keep abreast of it."

A further expansion in production is expected. At the present time, 95 per cent. of the total number of machines are in operation. The remainder will be put into operation at an early date.

JONES JOINS TOBACCO MACHINE SUPPLY COMPANY

J. Walter Jones, formerly associated with Waitt & Bond, Incorporated, has joined the recently organized Tobacco Machine Supply Company, as secretary of the company, and in charge of the sales and service department.

Mr. Jones has for the past fifteen years made a specialty of supervising wrapper stripping on the Universal Model M stripping and booking machine, and has been successful in eliminating the bruising and splitting of wrappers, which is a common fault in most cigar factories.

Mr. Jones will call on any customers and assist them in any difficulties they may be having in their stripping department.

TOBACCO ASSOCIATION TO MEET JUNE 30TH

The regular annual meeting of the Tobacco Association of the United States will be held at Virginia Beach on June 30th, July 1st and 2d. Mr. Henry S. Hotchkiss, Richmond, Va., is chairman of the committee on arrangements.

The opening day will be given over to the selection of committees and discussion of important business, which includes the selecting of opening dates for the southern tobacco markets. The annual banquet will be held on Friday evening, July 1st, and the nominating committee will submit its report in connection with those to be elected to the board of directors.

REAL ESTATE OFFSETS SCHULTE PROFITS

D. A. Schulte, president of the Schulte Retail Stores Corporation, in a letter read at the stockholders' meeting held recently, stated that the profits of recent years had been absorbed largely by losses on real estate.

The directors and present officers of the company were all re-elected at the meeting despite efforts of a minority group to obtain representation on the board of directors. The present management mustered 762,000 votes while the minority group only number 101,000 votes. The company has outstanding 1,138,711 shares of stock.

TOBACCO MAN'S WIDOW LEAVES $200,000

THE will of Mrs. Mary A. Hendrickson, 337 Manheim Street, Germantown, was probated in this city on Wednesday and disposes of a personal estate of $200,000 and upward and realty valued at $17,840. The chief beneficiaries are two daughters, Mrs. Anna H. Donnelly, of Germantown, and the Marquise Amanda H. Molinari, of Paris, France, and a son, William A. Hendrickson.

Mrs. Hendrickson, who died April 19th, was the widow of Samuel A. Hendrickson, formerly in the tobacco business in this city. The sum of $7000 is put aside to create a trust fund for the benefit of Louisa J. Birch, upon whose marriage or death the principal is to revert to the residuary estate.

Gifts of $1000 each were made to Elizabeth Hatfield, Sarah Cottman and Brittomarte Westfall, the latter a nurse. Amounts of $500 each are bequeathed in the will to four nephews, two nieces and to the grandchildren.

A bequest of $40,000 in trust for the benefit of a brother, Joseph P. Limeburner, is invalidated by the death of the beneficiary and the money will revert to the estate.

Mrs. Hendrickson directed that her household goods and family portraits be sold at a private auction to be attended only by her children or their agents. The portraits under no circumstances are to be "exposed for public sale," and if not purchased by members of the family, shall be given to Adolph P. Limeburner, a brother of the testator.

To a nephew, John E. Limeburner, 3d, is bequeathed a portrait of his grandfather, John E. Limeburner, painted by Mrs. Hendrickson's uncle, Alexis Limeburner.

CLASS A GAINS IN TWENTY-THIRD DISTRICT

Class A cigar production increased in the Thirty-third Pennsylvania District in March of this year, as compared to the same month in 1931. Class A production in the First District fell off.

The Twenty-third District produced 5,612,420 Class A cigars in March, 1932, and 3,302,850 in 1931. The First District fell from 81,888,855 to 76,131,695.

Production of Classes B and C cigars decreased in the First District. Class B dwindled from 9,561,340 to 888,770, and C from 34,562,708 to 17,438,324.

March tax stamp sales were:

First District

	1931	*1932*
Class A	$163,771.71	$152,263.39
Class B	28,684.02	2,666.31
Class C	172,813.54	87,191.62

Twenty-Third District

	1931	*1932*
Class A	$6,605.70	$11,224.84

D. EMIL KLEIN DIVIDEND

Directors of the D. Emil Klein Company ("Haddon Hall," "Nottingham," etc.), have declared a quarterly dividend of twenty-five cents a share on the common stock of the company payable July 1st to stockholders of record June 20th.

LIGGETT & MYERS DIVIDEND

Directors of the Liggett & Myers Tobacco Company have declared the regular quarterly dividend of $1 on the common and common B stocks of the company, both payable June 1st to stockholders of record May 16th.

PHIL M. PHULOFAX DISCLOSES ESSENTIALS FOR SUCCESS

CONFIDENCE is the rock on which your store should be founded," announced Phil M. Phulofax, D. B. I., in his most recent communication to this publication. Before his association with Bayuk Cigars, Inc., Mr. Phulofax won for himself a success in the retail cigar business which gives him authority in this field.

"If you've built it securely no amount of depression gale can blow it down.

"Confidence in you and what you have to sell. You know that old saw about honesty, so I won't even quote it. But all philosophers from Diogenes to Will Rogers have done a lot of thinking on that subject, and, as business getters, we can profit by their conclusions.

"We aren't tricksters playing for suckers on one corner today and on another tomorrow. We're in the cigar business, and a right honorable old American business it is. No matter if you're a sixteen-cylinder salesman, equipped with all the latest gadgets of a high-powered line, you won't get repeats, real customers, unless you sell 'em what you know is good—in other words, unless you have built up confidence in your judgment and in your stock. They tell us how Abe Lincoln walked miles to return some small change, but the birds who wrote the books forgot to tell us something much more important—that Abe knew what kind of flour, oats and tobacco he was making change for.

"So my suggestions for today is, let's get rid of the phoneys, the long shots, and stock up with good reliable brands. If old John Skinflint comes looking for a cheap cigar, tell him you don't know a thing about that unknown. Tell him here's a good cigar, a little more expensive, perhaps, but one you would stake your new suit of clothes on, one that you know from experience smokes true to the end. He'll admire you for your straight shooting, and he'll buy more in the end once he experiences the satisfaction of a thoroughly honest smoke."

MENGEL COMPANY REDUCES STOCK

The New York Stock Exchange has received notice from the Mengel Company of a proposed change in authorized common stock to 400,000 shares, par value $1, from a like amount of no-par, and reduction capital represented by outstanding capital represented by outstanding common stock to $1 from $25 a share.

UNITED STATES PLAYING CARD NET OFF

The United States Playing Card Company reports net profit for 1931 of $576,811 after depreciation and Federal taxes, equal to $1.45 a share, par $10, on 397,589 capital shares, compared with $1,209,907, or $3.02 a share on 400,000 shares in 1930.

SCHULTE RENTS ON PERCENTAGE

The Schulte Cigar Stores Company have leased the store and basement at 545 Fulton Street, corner of Albee Square, Brooklyn.

The rental paid under the lease was a percentage of the gross business done with a minimum guarantee.

TOBACCO PRODUCTS EXPORT NET

Tobacco Products Export Corporation reports for 1931 net profit of $48,262 after taxes and charges, comparing with $49,249 in the preceding year.

"ONE SMOKER TELLS ANOTHER"

SELLING technique has made great strides since Eve talked Adam into eating the apple, but advertisers still acknowledge the importance of "word of mouth." This time-honored principle of publicity dominates the current "Chesterfield" series, "One Smoker Tells Another."

The new slogan, launched during the week of April 11th, already is recognized as a worthy addition to the "Chesterfield" collection, led by the famous "They Satisfy." It will be used in a variety of settings, many of them illustrating outdoor scenes appropriate to the season and including camping, fishing and motoring.

"One Smoker Tells Another," according to Liggett & Myers, suits "Chesterfields" because that's the way their popularity has been built up. "The fate of a really good product can safely be left in the hands of those who buy and use it."

CLEVELAND SCHOOLS TO PROVIDE SMOKING ROOMS FOR WOMEN TEACHERS

Smoking rooms in schools for women teachers as well as for men teachers may become a regular feature of American schools. According to news dispatches, the Cleveland Board of Education is providing smoking rooms in its public schools for women teachers, replicas of those already in existence for the male teaching staff.

Tobacco experts point out that since the introduction of such modern methods as the use of the ultra-violet ray and toasting to remove impurities from tobacco, cigarette smoking among women has become an accepted fact. The school smoking room for women teachers is but another tangible evidence of this trend.

The Cleveland plan is being applauded, for it is generally recognized that teachers, women as well as men, should be able to smoke, if they desire.

DEISEL-WEMMER-GILBERT CORPORATION EARNINGS

The Deisel-Wemmer-Gilbert Corporation, manufacturers of "San Felice," "El Verso" and other popular brands, reports net profit for 1931 of $477,469 after taxes and charges. This was equal after preferred dividends of $1.62 a share on 216,410 shares of common stock, as compared with $682,435, or $2.31 a share on 238,095 shares of common, in 1930.

AMERICAN COLORTYPE REPORTS LOSS

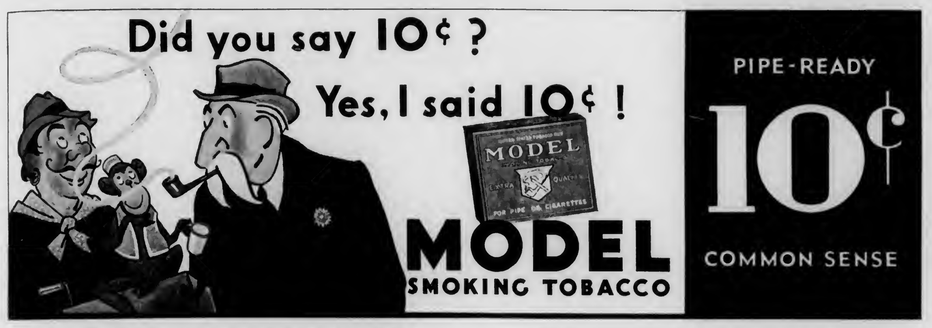
The American Colortype Company, which absorbed the Mochle Lithographic Company, Incorporated, some time ago, reports gross shipments for 1931 of $7,330,468 and gross manufacturing profit of $222,937. Net loss, after other income, interest and depreciation, amounted to $398,056, compared with net profits of $324,804. Current assets at the close of the year were $4,297,351, against current liabilities of $729,145.

AXTON-FISHER REPORTS

The Axton-Fisher Tobacco Company reports net profit of $605,552 after taxes and charges in 1931. This is equal to $3.74 a share on the Class B stock, compared with $744,106, or $4.94 a share in 1930.

EXCHANGE BUFFET EARNINGS

Exchange Buffet Corporation reports for the quarter ended January 31st, net profit of $32,453 compared with $95,393 in the corresponding quarter a year ago.



WILL WOMEN TAKE UP PIPE SMOKING?

CONTRARY to predictions that women would never become pipe smokers, a newspaper report has been published to the effect that pipe smoking is the fad of the moment among New York's Park Avenue debutantes and society matrons.

Full credit for the vogue is claimed by Archibald Charles Montague Brabazon Acheson, fifth Earl of Gosford, Knight of Grace of the Order of St. John of Jerusalem in England, grandson of the Duke of Manchester and son of the Lady of the Bedchamber to Her Majesty the Queen of England.

Lord Gosford sat in a plush-carpeted suite overlooking Central Park, puffing on a miniature pipe—a three-inch one-ounce briar. It's his own idea. He designed it for himself. He never intended, he says, that any copies should be made, but——

"When I came to America, I found most all the ladies I met smoking cigarettes, then I thought of my little pipe. I had it made because I wanted to smoke between the acts at the theater and at dinner parties.

"An ordinary pipe ruins the pocket of a dinner coat. This one solved my problem—enough tobacco for a good little smoke, but never a nuisance to carry around. I decided it would be just the thing for your American women, so I had a few made for my friends. Now everywhere I go I see beautiful ladies puffing on pipes."

Lord Gosford warns feminine pipe smokers not to use ordinary masculine tobacco, which he calls "fine for the out-of-doors but horrible in a parlor." For women and husbands whose wives won't let them smoke indoors he recommends very mild, very fragrant blends.

One prominent pipe manufacturing firm is said to be surreptitiously bidding for this new market of pipe smokers in much the same way that the cigarette companies cautiously started their advertising to the female cigarette smokers several years ago.

UNITED OMITS DIVIDEND

The United Cigar Stores Company of America has omitted the quarterly dividend of $1.50 on the 6 per cent. cumulative preferred stock due at this time, according to an announcement made last week. On February 1st, $1 a share was paid.

NEW DIRECTORS FOR AMERICAN CIGAR

Robert Lehman, John F. Fay and Maurice Newcomb have been elected directors of the American Cigar Company, representing minority stockholders. The company is controlled by the American Tobacco Company.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

SPAIN INCREASES DUTIES AND TAXES

The National Assembly of Spain, on March 3d passed a bill increasing import and export duties between 20 and 30 per cent.

Taxes on the production of alcohol, beer and explosives and on the consumption of gasoline and tobacco were increased.

Import duties on automobiles were raised to 100 pesetas ($7.66) a metric ton. Petroleum, gasoline and other imports also were included in the increased duties.

SCHULTE DEFERS DIVIDEND ACTION

Directors of Schulte Retail Stores Company have deferred the preferred dividend due at the time until a special meeting to be held on June 2, 1932.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

(Continued from previous Issue)

Limiting Factors of the Market

The ultimate aim of measuring the retail market is to estimate sales possibilities, so that the executives can more effectively plan the major policies of the store. Such an evaluation enables executives to know just where they stand in their own particular market. Many of the more progressive retail stores now have a system of budget control in which planned sales for some future period form the starting point.[3] One of the difficult features of the budget-control system is the establishment of a correct estimate of these sales. Here, then, the market analysis helps, especially when the past records of the store have been analyzed in the study. The growth of the company, measured by its gross sales, establishes the position of the store in the retail field and indicates whether it has obtained its share or more than its share of growth. It establishes the normal rate of expansion and allows a prediction as to what future growth will be. Such a record of sales, though valuable, must be used with extreme care, however, in attempting to forecast sales for the future. Such figures carry many conflicting elements, the effect of which it is virtually impossible to carry in one's head.

[3] See section on Budgetry Control.

The record of the sales by years carries with it the history of the company as to growth. If these figures are plotted into curves this growth will be strikingly set forth when it may not have been so readily perceived before. The record of sales by months would not show the long-time growth of the company because of the seasonal factors that enter into sales. Certain months of the year can always be counted on to be low, while others will be extraordinarily high. If the store's yearly sales have shown a continued growth in past years, this increase can be expected to continue into the next year, and if an average rate of growth is found it might be used in predicting the next year's sales. Such a use of the long-time growth of the sales must be resorted to cautiously, because the sales each year are affected by the abnormalities of that year and by general business conditions. If the sales of a store are forecast a year ahead, they may be divided on a monthly basis by a comparison with the average monthly variance that is shown in past records.

Besides the limiting factor of seasonal variation, there are others that materially affect the market. The price of the product to be sold is certainly a consideration in the limiting of the market. If the price is high, there may be very few potential customers. It is barely possible that an article may be priced so low as to connote the idea of cheapness, with a consequent lower sales volume than if the price had been higher.

Fashion may either create or break the market for a product. If the style happens to be on the upswing, the market or demand can be expected to increase to a certain point and then decrease rapidly. Fashions may be said to go through certain stages in demand. Usually a style starts out with only a few of the more influential people using it. Then the desire on the part of others to emulate will increase the demand. After this point the style is usually made in such quantities and material that an appeal can be made to the buying motive, economic emulation. At this stage the greatest demand will be felt, but it is here that the style is killed, because of a result of excessive popularity all desire to emulate it is lost.

The climate and weather may affect the retail market considerably, or, again, they may be of no particular or vital importance, depending to a large degree on the nature of the retailing enterprise. The sale of ice, coal, or wood is certainly affected by the weather. Stores in areas of little rainfall would not carry so complete a stock of umbrellas or raincoats. Other factors of the climate may not be so readily apparent and could only be determined through some research. Different grades of motor oils, for instance, might be more suitable to different localities, and the successful merchant is the one who knows which is best to sell.

Conclusion

In a general discussion of measuring a retail market it is impossible to suggest all of the many factors that a retail merchant should consider. Indeed, factors that may properly seem of paramount importance to a specialized retailer may not have been touched upon. The dealer in electrical appliances, for instance, will be intensely interested in knowing the number of homes and apartments that are electrically lighted and equipped. Such information would be of little value, however, to a distributor of clothing, except as one of a number of possible indexes of the community's standard of living.

But when all the elements which play upon distribution have been named—religion, education, transportation, climate, etc.—two basic elements stand out as of prime importance for consideration, namely, population and purchasing power. Given enough people in sufficient density, with money above the average, there is a consuming power in that community which can be expected to absorb a large amount of merchandise. A study of these two elements, of course, will not give any absolute results or formulas for future guidance. The buying habits of people will differ and change, and there can therefore be no possible fixed rule which may be applied even to a single commodity. There are, however, certain products that are common to the needs of all, and for these it seems not unwise to assume that population data should be a fair index of the potential market. Merchandise belonging to the nonessential class is bought more in proportion to the purchasing power of the individual. Though the two above-named factors are of greatest

(Continued on Page 14)

MARCH CIGAR PRODUCTION OFF 19 PER CENT.

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of Internal Revenue collections for the month of March, 1932 and are issued by the Bureau. (Figures for March 1932 are subject to revision until published in the annual report):

Products		—*March*—	
Cigars (large):		*1931*	*1932*
Class A	No.	291,397,080	267,632,395
Class B	No.	32,148,003	4,577,807
Class C	No.	109,260,970	77,971,942
Class D	No.	6,876,610	4,867,017
Class E	No.	789,747	332,969
Total		440,472,410	355,382,130
Cigars (small)	No.	33,256,507	20,826,480
Cigarettes (large)	No.	513,600	320,614
Cigarettes (small)	No.	9,801,886,417	8,446,577,237
Snuff, mfd.	Lbs.	3,497,016	3,455,166
Tobacco, mfd.	Lbs.	27,551,563	27,988,941

Note: The above statement does not include tax-paid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of March:

Products		—*March*—	
Cigars (large):		*1931*	*1932*
Class A	No.	15,327,850	4,335,350
Class B	No.	127,000	10,000
Class C	No.	245,000	1,107,500
Class D	No.	4,500	.....
Total		15,704,350	5,452,850
Cigars (small)	No.	500,000	.....
Cigarettes (large)	No.	200,000	50,000
Cigarettes (small)	No.	2,000,000	.....

Tax-paid products from the Philippine Islands for the month of March:

Products		—*March*—	
Cigars (large)—		*1931*	*1932*
Class A	No.	13,202,120	13,185,195
Class B	No.	89,247	48,920
Class C	No.	50,010	39,394
Class D	No.	580	60
Class E	No.	500	100
Total		13,342,457	13,273,669
Cigarettes (large)	No.	600	.....
Cigarettes (small)	No.	146,720	39,750
Tobacco, mfd.	Lbs.	55	39

Note: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Comparative Statement of Internal Revenue for the First Nine Months of Fiscal Years 1931 and 1932

Objects of Taxation	*First Nine Months Fiscal Year*	
Tobacco manufactures:	*1931*	*1932*
Cigars	$13,761,961.98	$11,261,106.09
Cigarettes	264,667,376.49	237,132,275.42
Snuff	5,376,702.29	5,258,260.66
Tobacco, chewing and smoking	43,522,074.42	44,091,037.13

"Oh, Yeah?
well don't let it happen again, Son!"

Them fags you smoke *would* start you twitchin'
And stop this no-hit game I'm pitchin'.
Try OLD GOLDS, kid... What I'm remarkin',
You'll ketch them flys and stop that barkin'.

© P. Lorillard Co., Inc.

PURE TOBACCO . . . NO ARTIFICIAL FLAVORING

That's why O. Gs. do not scratch the throat or taint the breath... (Cellophane-wrapped, of course).

NOT A COUGH IN A CARLOAD

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

DIAMOND FILES PETITION

A voluntary petition in bankruptcy was filed last week by George M. Diamond, retail cigar store, 4001 Longshore Street. No schedule of liabilities or assets were filed at the time. L. Leroy Deininger was appointed referee, and Joseph Blank, counsel.

The Bloomington, Ill., city council has passed an ordinance taxing all stores selling tobacco $25 a year; this ordinance replaces a former one assessing a tax of $100 a year for the sale of cigarettes only.

Retail Store Problems

(*Continued from Page 12*)

value in determining the total amount of merchandise that a particular market will absorb, the individual merchant is also vitally interested in knowing what part of the total he will be able to obtain. In regard to this phase of the problem it seems logical that major consideration should be given to competition.

In any market analysis the quality of the merchandise that will be in demand is extremely important, as well as the quantity that can be absorbed. Especially is this true at the present time, when the market has changed from a seller's to a buyer's market, where the consumer can select goods to suit his demands.

It may be said in conclusion that a careful market analysis by retailers may do much toward smoothing out some of the irregularities in business conditions. Without going into the controversial cause for the changing periods of prosperity and depression in business it can certainly be said that during periodic intervals there is overproduction by the manufacturer, with its attendant evils, and overbuying by retailers. If all the distributive markets, from the manufacturer to the consumer, could be accurately determined, excess production and overbuying might be eliminated to a large degree and a real service rendered to society.

RETAIL STORE LOCATION

Introduction

Each year sees the opening of a large number of retail enterprises many of which are not economically justified and which owe their beginning almost solely to the small capital required to launch a retail store. Many of the failures are due to a lack of managerial ability, but others are due to an insufficient consideration of the problems involved in establishing a retail store on a sound basis.

An outstanding problem in starting a retail business is location. This matter must receive consideration before any type of retail store is established in a community. A good location is frequently a store's best asset, while a poor location may be the cause of failure even when sound merchandising policies are practiced. The location problem concerns not only the newcomer in the retail field but also the established merchant, and the experienced retailer therefore sees the necessity of watching constantly the economic and physical changes of his community and of considering their relation to location and how they may add to or detract from the growth of his business. He compares the advantages of his present location with possible new ones, remembering that the value of a retail store location is measured by the possibilities it offers of making a profit.

General Factors

Community

The retailer, as purchasing agent of the community, has a duty to fulfill—that of providing commodities and services to his community economically and conveniently. Therefore before assuming this responsibility the progressive merchant will analyze the community to see if there is really an opening for him.

The importance and character of the principal industries are subjects for careful study. A good index of the importance of an industry with respect to retail trade is the number and class of wage earners employed. If the industries are of a permanent nature, with a prospect of future growth, it may be advisable to open a store even if the existing conditions do not indicate large profits immediately; but if the industries are only temporary, like many of our war industries, the disadvantage is obvious. How long the present industries will continue to operate, what industries, if any, will take their place, and how long will be the transitional period are other features for such an industrial study. Some industries are intermittent, and while they are operating the community appears prosperous, but when they are closed retail buying declines. A merchant entering the retail business during prosperous times may find himself without a sufficient volume of sales to pay his overhead during a slack period. Some towns are essentially school or tourist towns and are active only a part of the year. A store in a town of this type must receive the maximum volume of business during the busy season.

The character of the wage-earning population in cities varies widely. Such cities as Bridgeport, Hartford, Worcester, and Akron have essentially a male population, while some others are predominantly feminine, as, for instance, Haverhill, Lynn, Lowell, and Fall River. The customs of the people in the community make some important differences in the character of the trade. Communities differ greatly in the kinds and qualities of foods used. In some communities "style goods" are much more in demand than in others, and the rate of change of style varies greatly even between communities only a few miles apart.

The size and the rapidity of growth in the population of a city are both fundamental considerations. If a city has been growing rapidly for the past ten years it is likely to continue to grow for a time of its own momentum, all economic considerations being equal. The possible future industrial development must also be considered in relation to the growth of the population and to the extension of the trade market.

The measure of the potential buying power of a community will be extremely helpful, not only in determining the wisdom of locating in a city but also in deciding on the type of store to be established and the quality of the merchandise to be carried. The number of wage earners has much to do with the potential buying power, and can be roughly used as an index of this power, especially when the average number of wage earners per family is known. Generally speaking, those families in which the largest percentage is working will have a higher percentage of income to spend for articles other than necessities. In conjunction with the above-named indexes the size of the incomes of the people is also indicative. In general, the larger the income, the greater the amount spent for comforts and luxuries. This does not mean, however, that the amount spent for such articles increases in direct proportion to the income. Such expenditures tend to fluctuate with business conditions, increasing during times of prosperity and decreasing during depressions.

Some neighborhoods are progressive, while others tend to stand still. Some measure of this progressiveness can be obtained by determining the standards of the public schools, also by ascertaining the activity of the civic and business associations and the extent to which they aid local business and operate to secure new industries or hold old ones.

It is desirable to know the standards of living of the community and the cost of living as compared with other localities. A high cost of living and high standard of living affect not only the individual proprietor but also his cost of doing business and thereby his profit. He must pay a larger wage for clerk hire under such conditions, and very probably other expenses will be greater.

(To be Continued)

Editorial Comment

(*Continued from Page 3*)

ter how far the prices of supplies and raw materials are forced down.

It is inevitable that the cigar industry must acquire a new vision in the maintenance of its business. There is vast duplication in advertising effort which in the final analysis is non-productive. Money which might well be applied to earnings is being budgeted for futile gestures which are nothing more than a bluff at "Keeping Up with the Jones's."

It is true that there are certain leaders in the business who will stay at the "top of the heap" as long as there is a heap to dominate. But this business of "whistling in the graveyard" costs much coin of the realm, and it can't go on forever, under present conditions.

LOFT CANDY PROFITS UP

Loft, Inc., operator of restaurants and confectionery stores, reported that net operating profit for 1931, after interest, depreciation, amortization and other charges, amounted to $366,708, compared with net operating loss of $84,142 in 1930. Capital stock of Loft, Inc., outstanding at the end of 1931, amounted to 1,073,259 no par shares.

Loft, Inc., owns about 71 per cent. of the capital stock of the Happiness Candy Stores, Inc., which in 1931 operated at a net loss of $73,899 allocable to Loft as its proportion in the total loss resulting for Happiness Candy.

The Loft balance sheet as of December 31, 1931, shows total assets of $13,053,230. Current assets amounted to $1,798,071, against current liabilities of $1,129,068. Cash on hand or in banks totaled $809,867 and inventories to $734,003 at cost or market, whichever was lower. Land, buildings, furniture and fixtures, as appraised July 31, 1919, by the American Appraisal Company, plus subsequent additions at cost, were carried at $7,332,772, after charging off depreciation of $3,226,580.

SENATE COMMITTEE RECOMMENDS NO TOBACCO TAX INCREASE

Washington, D. C., April 28.—Nearing completion of its task of writing a new tax bill, the Senate Finance Committee today at the suggestion of Senator Barkley (Dem.), of Kentucky, unanimously adopted a resolution expressing it to be the sense of the committee that no increases over the present taxes should be made on tobacco or tobacco products.

As a precaution, however, the committee made a reservation to the effect that if it is later found additional revenue is necessary, the resolution may be revoked, but it is not believed that the bill to be reported to the Senate next week will carry any increase in tobacco taxes.

As a result of representations that the present tax exemption for cigarette paper books of less than twenty-five leaves is being abused by companies giving two such books with each purchase of tobacco, the committee voted to make the cigarette paper tax apply to all books, regardless of size.

During hearings on this question, the committee was informed that from $900,000 to $1,000,000 additional revenue could be secured by this change.—*Linz.*

TOBACCO COMPANY EARNINGS

IN A recent article the *Wall Street Journal* states the tobacco industry's advance in prosperity was less pronounced in 1931 than in 1930. Of ten leading companies in various divisions of the industry, five increased their earnings, one lost less than in the preceding year, and four earned less.

Leading cigarette manufacturers were unanimous in 1930 in showing larger earnings, but, last year, the Liggett & Myers Tobacco Company had smaller earnings, the first drop in its net income in a decade.

Aggregate earnings of the ten companies were $121,371,349, a new high record, but an increase of only $5,044,683 or 4.3 per cent. over the preceding year. In the preceding year, profits rose nearly $14,000,000 or 13.5 per cent. over 1929's, which in turn had shown an increase of over $9,000,000 or 10 per cent. from the earnings in 1928.

A factor contributing substantially to the increased profits of leading tobacco companies, despite smaller consumption of most tobacco products, was lower prices for raw tobacco. The American companies were involuntary beneficiaries of a sharp drop in export demand for American leaf.

American companies increased their purchases of leaf tobacco beyond estimated requirements, but about half of American tobacco crop is sold abroad, and the American manufacturers' increased purchases were less than the decrease in purchases from abroad. Another factor aiding earnings of cigarette makers was the higher price for the finished product.

A representative of the tobacco industry, appearing before the Congressional Committee on Taxation, termed the Government the senior partner in the tobacco business. In that role, the Government suffered more last year than the junior partners from the efforts of tobacco consumers to avoid high-priced merchandise and to consume those products which, mainly because of lower rates of taxation, are cheaper.

The total revenue for the Government in 1931, based on preliminary consumption figures, was $422,200,000, compared with $444,000,000 in 1930. The most heavily taxed lines showed the greatest decline in income to the Government, while those taxed least made the best showing.

Cigarettes, bearing a $3 a thousand tax, contributed about $15,500,000 less revenue than in the year before. Cigars yielded about $3,000,000 less, the drop coming entirely in cigars priced at more than five cents each. Nickel cigars pay $2 a thousand tax; cigars selling for five to eight cents pay $3 a thousand; those from eight to fifteen cents, $5; those from fifteen to twenty-five cents, $10.50; those selling for more than twenty-five cents, $13.50 a thousand.

Consumption of Class A cigars (five cents each) gained during the year, but every drop of a thousand cigars in Class E (over twenty-five cents each) would require a gain of almost seven thousand in Class A to yield the Government the same revenue.

Manufactured tobacco and snuff pay eighteen cents a pound tax, or approximately one-sixth the rate on manufactured cigarettes, and the lower tax encourages substitution of these types of tobacco for cigarettes. Government revenue from snuff and manufactured tobacco held steady last year, while other tobacco revenue was declining.

A comparison of the revenue received by the Government on various tobacco products with the earnings

(*Continued on Page 16*)

TOBACCO COMPANY EARNINGS

(Continued from Page 15)

of the company producing those products is difficult because most companies make more than one type of tobacco product.

The most notable concentration is in the snuff business, where three companies, George W. Helme Company, U. S. Tobacco Company and American Snuff Company make virtually all of the snuff consumed in the United States.

But, even there, the comparison of the revenue and the earnings figures is somewhat obscured by the fact that the U. S. Tobacco Company manufactures three profitable brands of smoking tobacco in addition to its snuff business.

The following table compares approximate Government revenue from tobacco in the past two years:

	Revenue	
	1931	*1930*
Cigarettes	$340,347,000	$358,874,000
Manufactured tobacco	59,039,000	59,177,000
Cigars	15,775,000	18,793,000
Snuff	7,117,000	7,220,000
Total	$422,278,000	$444,064,000

The table would indicate that the Government receives $3 in taxes on cigarette business for every dollar earned by the cigarette companies. However, since earnings of cigarette companies include income from the manufacture and sale of various brands of tobacco paying taxes as manufactured tobacco, the ratio is even higher in favor of the Government.

For cigar companies the ratio is less favorable to the Government than would be indicated by the above table, because the cigar business is not concentrated to the extent that cigarettes and snuff making are.

If earnings of other cigarmakers were included with the three considered, the ratio would be lower.

Further, because of heavy advertising outlays made to intrench the firm in the trade, the American Cigar Company, one of the larger companies, has shown losses for two years on a volume of business which would yield several million dollars annually to companies well established in the business.

The four leading cigarette manufacturers are American Tobacco Company, R. J. Reynolds Tobacco Company, Liggett & Meyers Tobacco Company and P. Lorillard Company. They probably manufacture about 90 per cent. of all cigarettes made in this country, but independents who, last year, offered cigarettes cheaper than the leading companies, cut into the business to some extent, probably obtaining a larger share than in many years past.

The Earnings of Ten Leading Companies

The following table compares earnings of the ten leading companies in the past two years:

Company	*1931*	*1930*
Am. Tobacco	$46,189,741	$43,294,769
R. J. Reynolds	36,396,817	34,256,665
L. & Myers	23,121,382	24,002,315
Lorillard	4,846,373	3,614,363
Gen. Cigar	2,720,667	3,201,521
Consol. Cigar	2,122,173	2,372,535
Am. Cigar	*1,110,405	*1,590,870
U. S. Tobacco	3,020,779	2,950,818
G. W. Helme	2,147,690	2,331,501
Am. Snuff	1,916,132	1,893,049
Total	$121,371,349	$116,326,666

*Loss.

(Continued on Page 17)

NINE MONTHS' WITHDRAWALS FOR CONSUMPTION

	First 9 Mos. Fiscal Yr. 1932		*— Decrease + Increase Quantity*
Cigars:			
Class A—			
United States	2,742,313,880	+	91,373,230
Porto Rico	69,426,025	—	45,446,905
Philippine Islands	131,851,085	+	15,773,055
Total	2,943,590,990	+	61,699,380
Class B—			
United States	56,139,600	—	209,304,156
Porto Rico	815,750	—	1,582,000
Philippine Islands	987,169	—	173,652
Total	57,942,519	—	211,059,808
Class C—			
United States	890,441,572	—	336,450,858
Porto Rico	4,063,644	—	2,942,236
Philippine Islands	371,402	—	495,188
Total	894,876,618	—	339,888,282
Class D—			
United States	55,504,611	—	26,555,702
Porto Rico	18,200	—	6,000
Philippine Islands	5,282	—	4,038
Total	55,528,093	—	26,565,740
Class E—			
United States	9,481,457	—	7,033,806
Porto Rico	500	—	2,600
Philippine Islands	14,412	—	55,069
Total	9,496,369	—	7,091,475
Total All Classes:			
United States	3,753,881,120	—	487,971,292
Porto Rico	74,324,119	—	49,979,741
Philippine Islands	133,229,350	+	15,045,108
Grand Total	3,961,434,589	—	522,905,925
Little Cigars—			
United States	226,671,920	—	36,514,906
Porto Rico	3,500,000	—	1,050,000
Philippine Islands	.....		.....
Total	230,171,920	—	37,564,906
Cigarettes:			
United States	79,106,215,595	—	9,099,692,500
Porto Rico	5,662,200	—	10,508,800
Philippine Islands	1,376,630	—	420.733
Total	79,113,254,425	—	9,110,622,033
Large Cigarettes:			
United States	3,463,195	—	1,333,919
Porto Rico	699,500	—	1,100,500
Philippine Islands	200	—	5,600
Total	4,162,895	—	2,440.019
Snuff:			
All U. S. (lbs.)	29,212,558	—	658,011
Tobacco Manufactured (lbs.):			
United States	245,115,178	+	3,361,318
Philippine Islands	845	—	453
Total	245,116,023	+	3,360,865

TOBACCO COMPANY EARNINGS

(Continued from page 16)

While inventories generally were reduced in value last year by the lower prices for tobacco, aggregate working capital of the ten leading companies was greater at the end of the year. At the close of 1931 they had $564,830,538 of working capital, an increase of $4,000,000 over 1930. The following table shows working capital for the last two years:

Company	*1931*	*1930*
Am. Tobacco	$125,398,620	$136,191,117
R. J. Reynolds	128,242,251	125,827,916
L. & Myers	151,134,177	139,917,273
Lorillard	57,808,008	67,803,249
Gen. Cigar	25,743,946	25,349,051
Consol. Cigar	17,137,125	17,399,427
Am. Cigar	26,329,112	23,226,724
U. S. Tobacco	16,121,696	7,951,525
G. W. Helme	8,071,472	8,338,767
Am. Snuff	8,844,131	8,698,518
Total	$564,830,538	$560,713,567

Following are cash and inventory tables for 1931 and 1930.

	Cash	
Company	*1931*	*1930*
Am. Tobacco	$26,810,061	$24,101,551
R. J. Reynolds	34,479,271	33,458,341
L. & Myers	27,075,001	33,021,432
Lorillard	13,812,652	16,976,386
Gen. Cigar	2,973,661	3,357,211
Cons. Cigar	1,215,041	1,322,986
Am. Cigar	344,832	338,711
U. S. Tobacco	3,790,355	3,751,258
G. W. Helme	2,053,233	1,931,179
Am. Snuff	1,377,410	1,351,509
Total	$113,931,517	$119,610,563

	Inventory	
Company	*1931*	*1930*
Am. Tobacco	$98,137,109	$108,237,558
R. J. Reynolds	85,780,878	91,464,477
L. & Myers	90,044,682	101,131,855
Lorillard	43,834,777	48,348,634
Gen. Cigar	18,682,194	20,026,288
Cons. Cigar	14,270,220	13,044,414
Amer. Cigar	23,756,598	20,339,026
U. S. Tobacco	10,329,048	10,875,419
G. W. Helme	4,830,026	5,128,719
Amer. Snuff	6,848,499	7,262,177
Total	$396,514,031	$425,858,567

CUBAN LEAF MARKET

Acting Commercial Attache Albert Nufer, Havana, reports to the Commerce Department at Washington that the demand for Cuban leaf tobacco, which was active during February, fell off during March. The better grades of Vuelta Abajo tobacco were fairly active, however, and while prices have shown little improvement, the undertone of the market is generally better. The strike of Havana cigarmakers continues. The various attempts to settle the difficulties by arbitration have failed thus far, and there is no indication when the strikers will resume work. Exports of Cuban tobacco and tobacco products were valued at only $1,137,176 during February, as against $1,866,238 during the same month of 1931. Exports of leaf tobacco amounted to 2,279,931 pounds, compared with 3,418,354 pounds in February, 1931, while shipments of cigars dropped from 4,136,009 in February of last year to only 472,815 in February, 1932.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

LOFT ANSWERS SUIT

ACQUISITION of control and operation of Happiness Candy Stores, Inc., by Loft, Inc., of New York, is defended in answers filed in Chancery Court in Wilmington, Del., last week by the two companies to two suits brought recently by Henry M. Behre, of New York. One suit asked for the appointment of receivers for Happiness Candy Stores and the other asked the Court to order Loft to return to Happiness Candy Stores all its property and assets.

Happiness Candy Stores denies in its answer that it is in an embarrassing financial condition or is in need of loans. If required, the answer states, loans in a substantial amount could be obtained readily. The company also declared that prior to acquisition of control by Loft its affairs were in a failing condition and that receivership was inevitable.

The answer states dealings and relations between the two companies have been fair to Happiness Candy Stores in every respect and have operated to its advantage.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

TOP KICK:—46,026. For smoking tobacco. April 5, 1932. Penn Tobacco Company, Wilkes-Barre, Pa.

ANTON CALLAERT:—46,027. For all tobacco products. April 12, 1932. Anton Callaert, Freehold, N. J.

FORT PLAINS:—46,228. For all tobacco products. April 12, 1932. Anton Callaert, Freehold, N. J.

KENTSHIRE:—46,022. For all tobacco products. April 9, 1932. George Schlegel, Inc., New York, N. Y.

DUNBAR:—46,025. For all tobacco products. February 25, 1932. Jacob Rich, New York, N. Y.

TRANSFERS

LADY HORTENSE:—45,709 (T. M. A.). For all tobacco products. Registered April 5, 1930, by Consolidated Litho. Corp., Brooklyn, N. Y. Transferred to F. W. Sommerfeld Cigar Co., Miami, Fla., April 11, 1932.

GREEN HAT:—37,013 (P. O.). For cigars. Registered February 11, 1930, by Benson & Hedges, New York, N. Y. Transferred to The Green Hat Cigar Co., Cleveland, Ohio, February 10, 1932.

ESCO:—31,622 (Tobacco Leaf). For cigars, cigarettes, cheroots and tobacco. Registered May 7, 1906, by H. Anton Bock & Co., New York, N. Y. Transferred to Essex Cigar Co., Detroit, Mich., in 1927.

DON RAMON CABRERA:—27,897 (Tobacco Leaf). For cigars, cheroots, cigarettes and tobacco. Registered June 30, 1904, by Calvert Litho. Co., New York, N. Y. Transferred to American Box Supply Co., and re-transferred to Essex Cigar Co., Detroit, Mich., January 31, 1927.

ROBERT MANTELL:—42,004 (T. M. A.). For cigars. Registered January 13, 1921, by American Box Supply Co., Detroit, Mich. Transferred to Essex Cigar Company, Detroit, Mich., December 28, 1921.

ESSEX:—44,157 (T. M. A.). For cigars only. Registered February 13, 1925, by American Box Supply Co., Detroit, Mich. Transferred to Essex Cigar Company, Detroit, Mich., April 9, 1925.

WYNWOOD HALL:—45,411 (T. M. A.). For all tobacco products. Registered February 12, 1929, by George Schlegel, Inc., New York, N. Y. Transferred to Benjamin Kane, Philadelphia, Pa., April 13, 1932.

CHARMWOOD:—45,721 (T. M. A.) For all tobacco products. Registered May 9, 1930, by George Schlegel, Inc., New York, N. Y. Transferred to Eloy R. Montero, Philadelphia, Pa., April 13, 1932.

JOLLY PAL:—39,531 (United Registration Bureau and Tobacco Record). For cigars, cigarettes and tobacco. Registered January 26, 1916, by Dave S. Saqui, New York, N. Y. Through mesne transfers acquired by Paramount Cigar Co., Inc., New York, N. Y., and re-transferred to The S. Frieder & Sons Co., Cincinnati, Ohio, December 29, 1931.

LA MUNA:—25,752 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered March 31, 1913, by National Lithographic Co., New York, N. Y. Through mesne transfers acquired by Consolidated Litho. Corp., Brooklyn, N. Y., and re-transferred to The S. Frieder & Sons Co., Cincinnati, Ohio, December 31, 1931.

DUNHILL INTERNATIONAL LOSSES

Dunhill International, Incorporated, reports for 1931 net loss of $277,268, compared with net profit of $21,257, or fourteen cents a share in 1930.

WHITE ADVERTISING MANAGER LEE & CADY

Derek White, formerly with C. C. Winningham, Incorporated, Detroit, has been appointed advertising manager of Lee & Cady, Detroit wholesalers.

PRODUCTION AND TRADE OF PHILIPPINE TOBACCO

THE total Philippine production of tobacco during 1931, as reported by the Philippine Bureau of Plant Industry, was approximately 95,936,000 pounds on an area of 183,818 acres, or about 6 per cent. less than in 1930, reports Assistant Trade Commissioner Clarence P. Harper, to the Tobacco Division of the Department of Commerce. Six of the most important tobacco producing provinces accounted for 63 per cent. of the total area cultivated. The average yield per acre for the entire area planted was 1318 pounds and the average price paid to growers for the total production was 3.9 cents per pound compared with 4.6 cents in 1930. The following statistics show production and the average price per pound paid to growers for the six leading provinces:

Provinces	*Production in pounds*	*Cents per pound* *
Isabela	27,663,868	4.1
Cagayan	12,400,600	3.3
La Union	11,224,236	4.6
Pangasinan	13,916,714	3.2
Ilocos Norte	5,020,888	3.0
Ilocos Sur	1,450,186	3.0

* Unofficial.

The Bureau of Plant Industry, in its surveys, includes a number of areas which are not ordinarily considered by local tobacco brokers and exporters. For instance, the area cultivated in Cebu was 17,297 acres; Iloilo, 8649; Leyte, 4201; and Negros, 6672. These areas, however, supply only insignificant quantities for the export trade and much of the production is consumed locally. The crop as a whole for 1931 was reported of better quality than the previous year.

Tobacco exports during 1931, as compiled from unofficial sources, showed a decrease and amounted to 43,288,000 pounds classified as follows: Leaf, 39,254,000 pounds; strips, 3,965,000 pounds; and scrap, 69,000 pounds. Official statistics will not be available for several weeks.

The cigar trade during the year showed a slight increase compared with 1930 and the estimated exports to the United States, as obtained from unofficial sources, totaled 165,000,000 pieces as compared with 153,000,000 in 1930. The report of the Philippine Bureau of Customs covering eleven months of 1930 showed cigar exports at 168,184,000 pieces, of which 151,366,000 went to the United States.

There were several strikes in cigar factories during the year and production in a few was held up for a time. Local consumption for the first eleven months, as reported by the Philippine Bureau of Internal Revenue amounted to 79,400,000 cigars and the number produced during this period totaled 255,000,000. The total production of cigarettes for the first eleven months of 1931 reached 3,902,000,000, of which 31,400,000 pieces were exported and the remainder consumed locally.

It is yet too early to venture a prediction on the coming crop as much will depend on weather conditions. It was reported, however, that heavy rains during December and early January destroyed about one-third of the seed beds but planters quickly set about to make new ones in order to recover the lost seeds. This will probably delay planting, but with favorable weather, a regular crop is expected.

MAY 15, 1932

VOLUME 52 No. 10

THE TOBACCO WORLD

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U. S. Department of Agriculture

"Oh, Yeah?
well don't let it happen again, Son!"

Them fags you smoke *would* start you twitchin'
And stop this no-hit game I'm pitchin'.
Try OLD GOLDS, kid . . . What I'm remarkin'.
You'll ketch them flys and stop that barkin'.

© P. Lorillard Co., Inc.

PURE TOBACCO . . . NO ARTIFICIAL FLAVORING

That's why O. Gs. do not scratch the throat or taint the breath . . . (Cellophane-wrapped, of course).

NOT A COUGH IN A CARLOAD

automatic
machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS
Get all the facts now on automatic merchandizing.
Write for a sample copy
THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all
nothing satisfies like
a good cigar

BOXED IN WOOD

Keeps cigar fragrance alive
Keeps display windows lively

NO OTHER form of packaging keeps your cigars so completely alive, so constantly and advantageously *on sale*, as wooden boxes.

All along the line, from manufacturer to consumer, the cigar that is boxed in wood is the *preferred* cigar. The fresh, clean wood smell blends with the leaf's natural fragrance to produce a finer, mellower, more inviting aroma. The good cigar gets better—the "not-so-good" cigar becomes as good as nature can make it. Connoisseurs, men who value good cigars for their richness, color and finish, and smoke them for unadulterated enjoyment, insist on cigars packed in wooden boxes because they know what a difference wood can make. To many smokers, a cigar not boxed in wood is no cigar at all.

Your own retailers need cigars packed in wood for convenience in handling and storing, for the better dressing of windows and cases. Insist on wood, nature's own container. It has no substitute.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 — Number 10

THE TOBACCO WORLD

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary

Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.

Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, MAY 15, 1932 — Foreign $3.50

EDITORIAL COMMENT

ON another page will be found illustrations of German cigar labels, together with an article by J. W. Healey. These illustrations fall far short of doing justice tc the actual lithography as displayed in the studio of George Switzer at 210 Madison Avenue, New York City. Mr. Healey who has written the story is associated with Mr. Switzer.

It is impossible to convey by written word the surprising innovations introduced in packaging by Mr. Switzer. Mr. Switzer calls the exhibit the First International Packaging Show.

The cigar labels are but a small part of the exhibition. We spent a most interesting hour observing and learning about the progress of attention-attracting packages and the possibilities that can be developed by an expert. Had our own time not been limited we would have stayed much longer.

We highly recommend to all cigar manufacturers a visit to this most unusual exhibit. It is made up of a selection of the best designed and packaged products in the world, and offers an infinite range of choice and taste in materials and containers.

Mr. Switzer states that color, imaginative design, simplicity and convenience are the four major characteristics of good packaging. Color is the first attention-winning property—not necessarily strong color, but pure color used appropriately.

Visitors have shown particular interest in an original design by Mr. Switzer to be used as a frosted raspberry container. This is nothing more than a simple white cylinder banded with a raspberry against which the name of the product is set in white. The colors are not flat but have texture—the white suggestive of frost, and the red of raspberries.

A container for pine tree soap is sure to draw the eye. An actual photograph of pine needles covers the box and a window reveals the number of cakes contained therein. The two combine to suggest the aroma and freshness of clean pine woods.

Tiny English honey jars and Austrian cigarette cases attract by their simplicity. In both cases—though the jars are of porcelain and the cases of paper—only one color is used. White packages embossed with white and lined with plain metallic green also won popularity through the simplicity of their design.

Outstanding in the number of comments received was a coffee container because of its convenience. A pouring device in the top serves as a self-measuring spoon. In size and shape it was adapted to fit women's hands and to take minimum shelf room. Also because of its design it would be recognized at a glance as a coffee container.

Consumer visitors lingered over those packages which were attractive and easy to handle. The interest of manufacturers naturally was devoted to those containers which seemed to have the maximum of attention value at the lowest cost of production.

Old designs when compared with a new creation by Mr. Switzer look cheap in comparison. Actually in a great many cases the simplicity of design, although appearing to be far more costly, results in appreciable economies in production costs over the old package.

A certain great hotel in New York which has its own brand of candy had Mr. Switzer prepare a new design for the package. It was readily approved by all but the woman in charge of the candy department. She did not believe that the trade would recognize the new package. However she agreed to make a one week's test by displaying the old and new packages together. Not only did the new package sell 100 per cent., but sales increased by a considerable percentage as well.

All we can add is to urge all those who are interested in new packaging ideas of superior attention-attracting value, combined with economies in manufacturing costs, to call on Mr. Switzer at 210 Madison Avenue, New York City.

"CHESTERFIELD" STAR IN LAMB'S GAMBOL

The spice, the sauce, of the recent Lamb's Gambol in New York was supplied by Alex Gray, famous baritone featured on the "Chesterfield" radio program, who was a Turkish slave merchant in the Gambol. Witnesses of the scene showing Alex, with Effingwell Pinto as the slave girl in his arms, declared that it provided just the right amount of the right kind of Turkish atmosphere.

Alex Gray appears to have been to the Lamb's Gambol what Turkish tobacco is to cigarettes—the correct seasoning.

BAILIE DIRECTOR OF LORILLARD COMPANY

Earle Bailie, of J. & W. Seligman & Company, was elected a director of P. Lorillard Company last week. Mr. Bailie is chairman of the board of directors of Tri-Continental Corporation and of Selected Industries, Incorporated.

SALE OF DIAMOND MATCH STOCK ENJOINED

BANKERS for the International Match Company were enjoined on Monday in Referee's Court, New York, from putting up for sale 350,000 shares of Diamond Match Company stock, which has been held as collateral for a $3,800,000 loan from the Kreuger concern. The injunction granted on Monday is of temporary nature, the continuance of which will be argued by the Irving Trust Company as receiver for International Match, and the creditor banks before Oscar W. Ehrhorn, referee, on Tuesday.

The intention of the banks was to have the shares sold at auction on Tuesday in order to satisfy the loan due them. Diamond Match has an authorized capital of 1,500,000 shares, so that the stock in the banks' hands represents approximately one-third voting control of the company. The $3,800,000 loan is owed to the Bankers Trust Company, the National City Bank, the Union Trust Company of Pittsburgh and the Continental Illinois Bank and Trust Company of Chicago.

Additional developments in the situation created by the suicide of Ivar Kreuger included the announcement of James N. Rosenberg, counsel for the receiver, that Samuel Pryor, director of International Match, had been subpœnaed for testimony to be given in the Referee's Court, while Donald Durant, of Lee, Higginson & Company; Fritz Atterberg, vice-president of International Match, and Ben Tomlinson, vice-president and treasurer of International Match, would also be recalled to the witness stand.

Oscar W. Ehrhorn, referee in bankruptcy, on Wednesday granted a motion restraining the sale of 350,000 shares of Diamond Match Company stock.

Referee Ehrhorn restrained the sale until fifteen days after the election of a trustee in bankruptcy for International Match Corporation.

The loan, which was for $4,000,000 and which was secured, was for six months at 4 per cent. interest. When International Match could not meet the obligation, February 27th, the banks demanded collateral, receiving from Kreuger the Diamond Match Company shares. The loan was reduced by $200,000 in February.

CUBAN TOBACCO COMPANY REPORT

Cuban Tobacco Company and subsidiaries report 1931 net income of $7548 after taxes, interest, minority stockholders' dividends and their proportion of undistributed earnings of subsidiary companies, etc., equal to sixty-eight cents a share on 11,000 shares of 5 per cent. preferred stock. This compares with net income in 1930 of $314,016, equivalent after dividends on the 5 per cent. preferred stock, to $1.55 a share on 166,629 no par shares of common stock.

GENERAL CIGAR COMPANY EARNINGS

The General Cigar Company, Incorporated, reports for March quarter estimated net profit of $302,136 after charges and Federal taxes, equivalent after dividend requirements on 7 per cent. preferred stock, to forty-five cents a share on 472,982 no par shares of common stock. This compares with $445,226, or seventy-five cents a share in the first quarter of 1931.

ABE RENDELMAN FILES PETITION

Abe Rendelman, trading as the Modern Cigar Shop, Upper Darby, last week filed a voluntary petition in bankruptcy. No schedule of liabilities or assets was filed with the petition. Albert E. Holl was appointed referee, and Reilly & Pearce, counsel.

UNION TOBACCO COMPANY MEETING

A GROUP of Class A and common stockholders of the Union Tobacco Company has sent a letter to other Class A stockholders asking their support in opposing a plan of the management to distribute part of the assets of the company to the preferred stockholders.

The letter states that a special meeting of stockholders, originally set for May 6th, but since deferred to May 31st, is to take place in Wilmington to vote on two proposals which the minority opposition group declares to be against the interest of the Class A and common stockholders.

"The first proposal," says the letter, "would give 83 per cent. of the net assets of the company, with a market value of over $1,513,000, to its nine preferred stockholders, in exchange for only 42½ per cent. of the outstanding preferred stock, which has an asset value of only $775,000, viz., a 6½ per cent. debenture of Tobacco Products Corporation of New Jersey, with a market value of $89, for a share of preferred stock, with an asset value of $45.58 and a market value of much less. This would leave in the company assets of the present value of only about $310,000, with 57½ per cent. of the $2,300,000 par value of preferred stock still outstanding in the hands of the same nine stockholders, ranking ahead of the 172,596 shares of Class A stock and 763,916 shares of common stock.

"The second proposal," the letter continues, "would give $435,000 to the North Virginia Corporation by releasing it, without receiving any consideration therefor, from its obligation to pay $1,000,000 to the company when called upon to do so by the company, pursuant to an agreement to underwrite the subscription at par for 10,000 additional shares of preferred stock of the company. If such underwriting obligations were enforced, the 10,000 additional shares of preferred stock would have a present asset value of about $56.46 per share or $435,000 less than the North Virginia Corporation has contracted to pay therefor."

ISAAC LAVENSON PASSES AWAY

Isaac Lavenson, well known throughout the tobacco industry as head of the Lavenson Bureau, merchandising specialists, passed away at his late residence, Chancellor Hall Apartments, Thirteenth and Walnut Streets, this city, on Wednesday, May 4th.

Mr. Lavenson was at one time a cigar salesman, and later became associated with the advertising firm of Mayer & Lavenson, and later with Wolf & Lavenson.

Funeral services were held at Asher's Broad Street Chapel, 1309 North Broad Street, on Friday, May 6th, with interment in Mt. Sinai Cemetery.

He is survived by his widow, Lena Herzberg Lavenson. He was seventy years old.

MENGEL CHANGES STOCK VALUE

At the annual meeting of the Mengel Company, Louisville, Ky., it was voted to change the par value of the common stock from no par to $1 and transfer the accruing $7,680,000 to surplus account.

Frank Borries, of Louisville, Ky., and A. W. Cornwall, of Winston-Salem, N. C., were elected directors to fill vacancies.

CORAZA CIGAR COMPANY SCHEDULE

The schedule of assets and liabilities was filed last week showing liabilities of $377,883, and assets of $148,526. A voluntary bankruptcy petition was filed by the Coraza Cigar Company a few weeks ago.

Don't remove the moisture-proof wrapping from your package of Camels after you open it. The Camel Humidor Pack is protection against perfume and powder odors, dust and germs. In offices and homes, even in the dry atmosphere of artificial heat, the Camel Humidor Pack can be depended upon to deliver fresh Camels every time

She smokes FRESH cigarettes

. . . not parched or toasted

WHEN you buy Camels you get *fresh* cigarettes. That's why women particularly prefer them.

Cool, refreshing smoke that is mild all the way down, with no trace of parch or bite to sting the tongue or rasp the throat.

That's because Camels are *made* right and *kept* right.

Made of choice Turkish and sun-ripened Domestic tobaccos that are properly conditioned; that contain just the right amount of natural moisture.

Kept in factory-prime condition until they reach the smoker by the air-sealed, Camel Humidor Pack.

The select tobaccos that go to make up your Camels are never parched or toasted.

The Reynolds method of scientifically applying heat guarantees against that.

If you've never experienced the delight of a cigarette that has never been parched or toasted switch to Camels, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

CAMELS

Made FRESH—*Kept* FRESH

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.

"HABANELLO" TAKES ADDITIONAL SPACE

GEORGE ZIFFERBLATT & COMPANY, manufacturers of the "Habanello" cigar, have leased an additional floor in the building at Third and Locust Streets, directly across the street from their present factory, the increased space to be used in the preparation of their tobaccos for manufacture. The space formerly occupied by this department in their present factory will be used for additional manufacturing facilities to increase production to cope with the increased demand for "Habanellos."

George Zifferblatt left last Sunday night on a special trip through the middle west, visiting the jobbers and distributors of "Habanello" in Indianapolis, Chicago, Milwaukee and Cincinnati. He expects to return to Philadelphia early next week.

Gus Lauber, "Habanello" salesman, has been spending some time with Tinkham Brothers, at their Jamestown, New York, headquarters and increasing the distribution and sale of that brand in that territory.

MAX NEWMAN ENTERS JOBBING FIELD

Max Newman, well known to the cigar trade in the eastern part of the country, has established himself as a manufacturers' distributor and jobber in general merchandise at 1213 Race Street, and is already conducting a highly successful business.

Max was formerly connected with the P. Lorillard Company for a number of years and later with the Hav a Tampa Cigar Company and is particularly well fitted to take on the distribution of cigar brands for those wishing an able distributor in this territory.

Max is located on the first floor of the building together with his old friend, Mike Segal, of the Philadelphia Window Display Service, which is handling some of the most striking window displays in the country. One display for one of the largest cigar manufacturers in the country has been the subject of a tremendous amount of favorable comment, so that Max is well equipped to render the utmost in satisfactory service to his clients.

GRABOSKY BROTHERS NOTE IMPROVED TONE

At Grabosky Brothers, Incorporated, 21 North Second Street, manufacturers of the "Royalist" cigar, they report an increase in the volume of orders received during the past two weeks and with a much more optimistic feeling prevailing throughout the trade. Prospects for a substantial upturn in business within the next few months are very bright.

Trade Notes

Sam Adler, Villazon y Ca., was a visitor in town last week calling on John Wagner & Sons, Dock Street, distributors of his brand.

Steve Hertz, sales manager of D. Emil Klein Company, was in town last week calling on the trade. "Haddon Hall," etc., enjoy a good sale here.

The Yahn & McDonnell store in the Widener Building was visited by a fire of unknown origin on Saturday night, April 30th, but only a trifling loss was sustained due to the prompt arrival of the fire department.

John Wagner & Sons are sampling the trade with their special smoking tobacco mixture "Wagner No. 3" with excellent results. In almost every case where the sample had been used, an order was obtained.

"Kid" Nichols was in town last week calling on the trade on his "Belinda," "Espadilla" and "Lord Beaconsfield" brands, and reported a good business on these brands.

Ben Lumley, Sommerfeld Cigar Company representative, left last week on a trip through the Adirondack Mountains in the interest of his "Verdi" and "Dulce" brands. These brands are making an excellent showing in this territory.

James Heaney, of the American Cigar Company, was in town last week visiting the country club stands in the interest of "Anthony y Cleopatra," which is enjoying an unusually good sale in this territory. Yahn & McDonnell are the local distributors for this brand, and Mr. Brogan (Yahn & McDonnell vice-president) accompanied Mr. Heaney on his swing around the various clubs.

Willis Andruss, former sales manager of the Congress Cigar Company, has returned to Philadelphia after spending the winter months in Florida enjoying the sunshine and acquiring one of those much coveted coats of tan.

Mr. Andruss will journey to Buffalo next week where he will visit his mother, who will celebrate her ninetieth birthday anniversary.

O K - AMERICA !
LUCKIES are kind to your throat... I KNOW... I've smoked them for eleven years
Walter Winchell
More for your money than in any other cigarette!
You get many extras in LUCKY STRIKE as a result of that famous and exclusive "TOASTING" Process. Extra Goodness—forced in when certain harsh irritants are forced out. Extra mildness, mellow-mildness—resulting from the purging and purifying of every tobacco leaf. Extra Deliciousness—from the world's choicest tobaccos—the Cream of many Crops. Extra Mellowness—from the use of modern Ultra Violet Rays.
"It's toasted"
Your Throat Protection—against irritation—against cough
And Moisture-Proof Cellophane Keeps that "Toasted" Flavor Ever Fresh
LUCKY STRIKE
"IT'S TOASTED"
Copr., 1932, The American Tobacco Co.
O. K. AMERICA
TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras and Walter Winchell, whose gossip of today becomes the news of tomorrow, every Tuesday, Thursday and Saturday evening over N.B.C. networks.

CIGAR BOXES—1932 MODELS

By J. A, HEALEY

These designs, the work of Professor C. O. Czeschka, for the cigar boxes of L. Wolff, cigar manufacturer of Hamburg, Germany, are included in a collection of more than 400 cigar and cigarette packaging designs selected by George Switzer, New York designer, for the international packaging exhibit now on view in his studio at 210 Madison Avenue.

"WHAT'S wrong with this picture?" a customer might well ask himself on entering a tobacco shop or department. And if he were at all observing, he would answer for himself, "The cigar display."

Look at the various brands of cigarettes, neatly ranged in rows and racks, attractive in color and simple for the most part in design. Convenient in size and shape, they can be carried in a man's pocket or in a woman's purse.

Look at the alarm clocks, for some reason a characteristic feature these days of tobacco shops. A few years ago they were tinny contraptions, with various excresences for legs and bells and stems. Today they are neatly designed to enclose all these, and to sit solidly on a table. Their cheap tinny contours are now enameled to harmonize with various backgrounds with the result that they can be used without too much pain on a bedside table or even an office desk.

Look at anything and everything in the shop, except the cigars and their containers, and you will see a constant change in presentation and sales appeal,

Courtesy of Advertising Arts **Photographs by Adams Studios**

Look at the matches, for example. A few years ago they were two or three inches long and enclosed in a large unwieldy box. Then came the smaller box which, though inconvenient, could be carried in a pocket. Then came the match packet and finally the cigarette lighter.

reflecting on the part of the manufacturer a constant effort to keep abreast of consumer taste and desires.

Consider in the same way the products of other manufacturers in daily use—the automobile, refrigerator, radio, clothes, anything. So swift has been the

(Continued on Page 12)

A *pointer on tobacco...*

This good old Kentucky Burley owes its extra richness and fragrance to "Wellman's Method"—an old-time tobacco secret. The *Rough Cut* burns more slowly and completely, so you get what every pipe smoker wants—"a cooler smoke and a drier pipe."

Handy pocket pouch of heavy foil. Keeps your tobacco in better condition and makes the price lower. Hence **10c**

Just try it!

YOU CAN DEPEND ON A LIGGETT & MYERS PRODUCT

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

STILL without any provisions for increasing taxes on tobacco products, the new revenue bill was taken up for consideration by the Senate May 12th, with a view to completing and sending it to conference by the end of the month in order that Congress may conclude its deliberations and adjourn June 10th.

Barring the unlikely contingency that the Senate may adopt a tobacco tax increase on an amendment offered from the floor, the new tax law will not carry any additional tobacco taxes, although the industry, in common with others, will be subject to a number of tax increases and new taxes.

Throughout the two weeks during which the Senate Finance Committee had the measure under consideration, the question of tobacco was brought up repeatedly, only to be rejected, largely through the determined opposition of Southern members.

Finding itself in a jam for which it was roundly censured by Secretary of the Treasury Mills, just before it concluded its work on the bill, the Finance Committee voted twice on the subject of tobacco, the first vote being to determine whether automobile rates should be increased or an increase of one-sixth or one-tenth made in the tobacco taxes. Tobacco won and automobile taxes were increased by a vote of ten to nine, as follows:

For heavier tobacco taxes: Senators Couzens of Michigan, Keyes of New Hampshire, Bingham of Connecticut, LaFollette of Wisconsin, Thomas of Idaho, Jones of Washington, Metcalf of Rhode Island, Walsh of Massachusetts and Gore of Oklahoma.

Against heavier tobacco taxes: Senators Smoot of Utah, Watson of Indiana, Reed of Pennsylvania, Shortridge of California, Harrison of Tennessee, King of Utah, George of Georgia, Barkley of Kentucky, Connally of Texas, and Hull of Tennessee.

The final action of the committee with respect to the tobacco taxes was a vote on whether they should be increased 10 per cent., as recommended by Secretary Mills in outlining a program for completion of the bill. This was defeated, eleven to seven, as follows:

For: Senators Couzens of Michigan, Keyes of New Hampshire, Bingham of Connecticut, LaFollette of Wisconsin, Thomas of Idaho, Jones of Washington and Connally of Texas.

Against: Senators Smoot of Utah, Watson of Indiana, Reed of Pennsylvania, Shortridge of California, Metcalf of Rhode Island, Harrison of Mississippi, King of Utah, George of Georgia, Walsh of Massachusetts, Barkley of Kentucky and Hull of Tennessee.

The only change made in the bill by the committee which directly affects the tobacco industry was the revision of Section 402 of the Revenue Act of 1926 to make the tax on cigarette papers apply to books of any size instead of, as at present, only to books of more than twenty-five sheets. This was done after the committee had been told that certain manufacturers of smoking tobacco were evading the present law by giving two books of less than twenty-five sheets with each package of tobacco. The original exemption of small books was made in order that a few sheets of cigarette paper might be given with each package of tobacco.

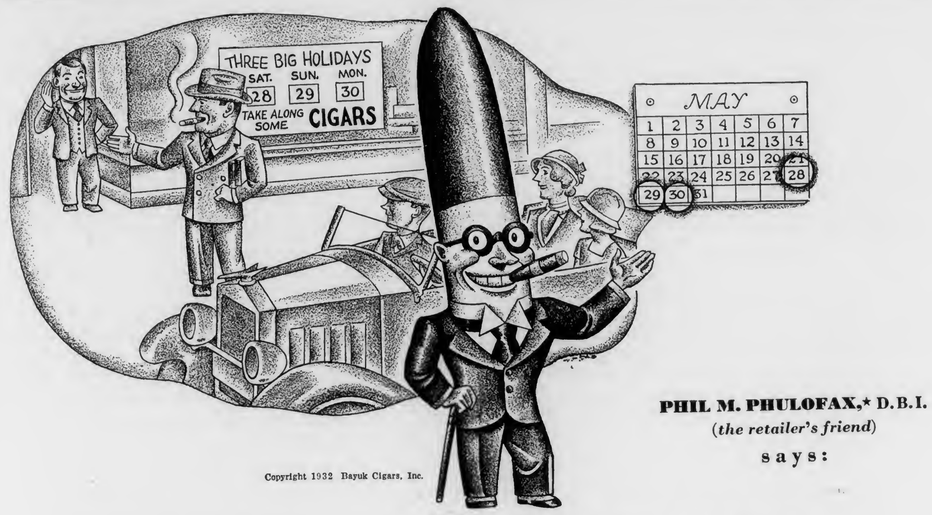
The bill prepared by the Finance Committee is estimated as raising $1,010,000,000, which, with anticipated budget savings of $231,000,000, will meet the $1,241,000,000 required to balance the budget by the end of the fiscal year 1933.

The measure carries normal individual income tax rates of 3 per cent. on the first $4000 of net income 6 per cent. on the next $4000 and 9 per cent. on the remainder, as compared with the House rates of 2, 4 and 7 per cent., with surtaxes ranging up to 45 per cent. against the House maximum of 40 per cent., from which $155,000,000 is expected.

The committee provided a corporation income tax rate of 14 per cent., against the House rate of 13½ per cent., but eliminated the penalty of 1½ per cent., making a rate of 15 per cent., levied by the House against corporations filing consolidated returns. The House exemption of $1000 for corporations with net income not exceeding $10,000 also was rejected. The corporation provisions of the committee are expected to raise $52,000,000. Administrative amendments and the estate and gift provisions will raise an additional $85,000,000.

A number of other levies are included in the bill which will affect the tobacco industry, among them the taxes of 4 per cent. on automobiles, 3 per cent. on trucks and 2 per cent. on accessories not including tires, to raise $73,000,000; a tax of five cents per pound on imported crude rubber, to raise $53,000,000; taxes of 5 per cent. on telegrams and leased wires, ten cents each on cable and radio messages, and ten cents on telephone conversations costing between fifty cents and $1, fifteen cents when costing between $1 and $2, and twenty cents on calls costing more than $2, to raise $24,000,000; four cents per share on stock and bond transfers and ten cents per $100 on stock and bond issues, to raise $35,000,000; two cents each on checks and drafts, to raise $95,000,000, and an increase to three cents in the rate of postage on first-class mail and increased rates for second-class matter, to provide $160,000,000.

The measure also carries taxes on lubricating oils, imported oils, coal, copper and lumber, admissions in excess of ten cents and a few other services and commodities.



Copyright 1932 Bayuk Cigars, Inc.

PHIL M. PHULOFAX,* D.B.I.
(the retailer's friend)
says:

"Coming events cast their suggestions before them"

LOOKED at the calendar lately? Have you noticed that for most folks there are three glorious play-days coming, all in a cluster? . . . Decoration Day, and Sunday and Saturday immediately preceding? Mean anything to you? If history proves anything, I'd say it spells O-p-p-o-r-t-u-n-i-t-y. It's the first real chance thousands of smokers have had in months to get away from the daily grind. . . . And it's our own fault if they don't realize that the way to enjoy the holiday to the utmost is to have plenty of cigars tucked into the pockets of their cars, coats or gripsacks before they set sail.

I say we can sell 'em a whale of a batch of cigars if we'll only organize our ambitions and energies. We don't have to be clever . . . just persistent. And the time to begin active campaigning is at least a week ahead.

Jones, a customer, comes into your store. "Going away for the holiday?" you ask, casually. Answer is probably "Yes." That's the time to sell him a box, or a bunch of five-packs, of his favorite brand. You already know all the arguments why he should buy in advance — in quantities — from you — and right now. . . . Prices right — cigars sure to be right — no danger of getting wrong shade or size, or dried-out cigars — etcetera and etcetera.

And don't forget that there are other ways and occasions for landing box sales: Uncle Sam still delivers circulars and letters. Lots of people still have telephones. Window displays and signs still exert a silent selling power through the eyes of passers-by. (See suggestion in illustration above, for hand-made window sticker.) Are you making use of them to interest —

Folks in the neighborhood who are throwing parties;
Proud papas who are celebrating the arrival of new babies;
Families who are planning week-end or summer-vacation trips;
Wives who want to give husbands something for their birthdays;
Sons and daughters who want to remember Dad on Father's Day (coming soon).

Just remember, in this finicky old world of ours you don't get much that you don't have to ask for or go after. It's as true of cigar sales as it is of political jobs.

Phil M. Phulofax*
D. B. I.

**Associated with* BAYUK CIGARS, INC., *Philadelphia*
Makers of fine cigars since 1897

P. S. — We are in the midst of an era of great changes — in living conditions, commodity values, merchandising methods. What new sales ideas are *you* using? Write 'em down. Send 'em in. Others are doing it — in behalf of their fellow-retailers. Why not you?

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR *(BAYUK "PHILLIES")*
BAYUK MAPACUBA
PRINCE HAMLET
BAYUK HAVANA RIBBON
CHARLES THOMSON

Listen in—and tell others to listen in—on the "Bayuk Stag Party" over WJZ *and network, Sunday evenings*

CIGAR BOXES

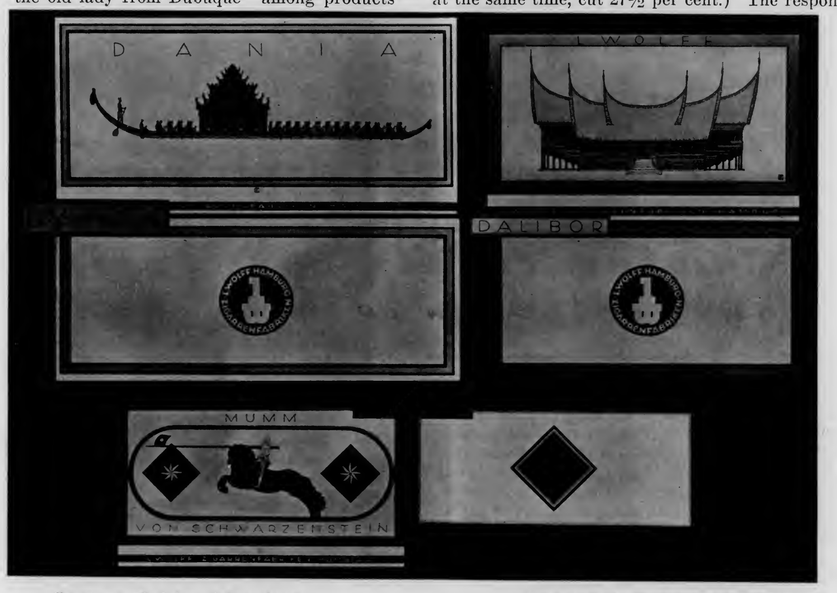
(Continued from page 8)

development in almost every field that it is not necessary to compare this year's Chrysler with the model of several years ago. Nor the shoes of today with the high-laced models of another decade. They change from season to season, offering always something new, colorful, up to date and keyed to the mood of the consumer.

Then look at the cigars and their display.

If everything in the shop were to be swept away except the cigar counter, could you tell whether the year were 1932 or 1902?

The realization that the cigar container has become "the old lady from Dubuque" among products



Courtesy of Advertising Arts **Photographs by Adams Studios**

is obvious to everyone apparently but the cigar manufacturers themselves. True, some manufacturers have changed the quality of the wood which goes into their boxes so that now instead of using real Spanish cedar, they substitute a coated paper with a process that gives the effect of fibred cedar. But the containers themselves remain the same. The same many colored lithographed reproductions of frock-coated gentlemen whose names, in many cases, mean nothing to the modern generation of cigar smokers. The same absurd medley of unorganized and unattention attracting types. Perhaps the most serious lack of foresightedness from the standpoint of the consumer is that al domestic cigar boxes look alike. This similarity of design, this clinging to tradition, however, presents a ripe opportunity to some cigar manufacturer with a national distribution and ambition to dominate the cigar market. Such a manufacturer by following the merchandising formulas which have succeeded, and are succeeding, in other lines of industry could create the same profit making results for himself.

What are these formulas? First, to attain brand distinction through the use of an individual trade symbol, slogan, copy theme, art theme, merchandising policy or a combination of any or all of these factors. Second, by tieing up this brand distinction with his dealers, his local and national advertising programs, and, at the point of sale, his retail outlets.

One instance is sufficient to illustrate the practical value of this aliveness to current demand. The manufacturer of a famous household cleanser recently replaced its drab tin container with another, smaller and more shapely in size and brilliant in color. Within five months his sales increased 102 per cent. without any additional sales effort or expenditure. (Incidentally, it should be mentioned that his production costs were, at the same time, cut 27½ per cent.) The response to the more attractive container was phenomenal. Sales people voluntarily placed it in the front sections of counters and display cases. Window decorators, tired of the monotony and drabness of other old type containers, featured it in striking new window displays. Dealers who previously had refused to accept the cleanser were easy to sell and several asked to take it on.

Cigar manufacturers abroad do themselves and their product much better. The designs made by Professor Czeschka for the cigar boxes of L. Wolff, cigar manufacturer of Hamburg, Germany, are a case in point. These boxes now have a distinction that attracts the eye at once. Colorful, simple in theme, smart and pleasing, both to the consumer—and, more importantly perhaps, to his wife to whom most cigar boxes, especially when brought into her home, are an eyesore—they dissipate at once the idea that the cigar is related to the days of the horse and buggy. They

(Continued on page 13)

"Aged In Wood"—A Grand Slogan For Your Good Cigars

"Aged In Wood"—What happy memories it recalls!

And those who smoke cigars for their full flavor and rich aroma insist that only wooden boxes properly age and ripen them.

Smokers identify good cigars by the wooden container. Experienced manufacturers know that cigars can be kept in proper condition in wooden boxes at all times.

AUTOKRAFT BOX CORPORATION produces wooden cigar boxes of all types, including boite nature. The flexibility of its manufacturing methods, and its numerous locations for fabrication and distribution, enable it to meet promptly any changes in the customer's requirements.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

CIGAR BOXES

(Continued from page 12)

give new life, new interest to the cigar, suggestive of modern up-to-date usage, harmonizing with his motor car, his clothing and his accessories.

In a word, cigar boxes and their labels should reflect the qualities of the cigar within by the use of a package design with a purpose and clean, fresh, stimulating colors.

Is it not sound constructive business practice to study and adapt the formula concerning successful merchandising of several of our domestic industries who can show a substantial profit by bringing up to date the policies of their merchandising plans, knowing that the product is good, that the product had sold successfully, and that the greatest competition we are facing today is *change* and adjustment to that change.

CONSOLIDATED CIGAR REPORT

The Consolidated Cigar Corporation and subsidiaries report for the quarter ended March 31st net profit of $244,536 after interest, depreciation and Federal taxes, equivalent after dividend requirements on the 6½ per cent. prior preferred and 7 per cent. preferred stock to fifteen cents a share on 250,000 no par shares of common stock. This compares with $478,547, or $1.04 a share, in the first quarter of 1931.

C. C. TAFT TO JOB "MURIEL"

The C. C. Taft Company, Des Moines, Iowa, has been appointed by the P. Lorillard Company to distribute their "Muriel" and "Rocky Ford" brands in their territory, and have been successful in making many new placements on these brands.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

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D. EMIL KLEIN, New York City .. .. Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

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NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

RETAIL STORE LOCATION

(Continued from previous Issue)

Physical Factors

An analysis of the transportation facilities will show the number of railroads serving the city and whether there are water routes available for use, thus offering opportunities for alternate carrier service. Such transportation facilities would probably have more weight in the choice of the city for a retail store when considered from the point of their effect upon the future development of the city. Some cities are so located that they become a natural outlet for the surrounding country, and their rapid growth is assured almost from the start.

It is well to study the avenues of approach to the city, both those existing and the possible future developments. Though railways, both steam and electric, play an important part in the transportation problems, consideration must be given to the highways as constituting an important feature in the whole transportation study.

Thought is necessarily given to the distance of the city from the retailer's buying market and the possible effect upon the length of time for delivery. Where can new merchandise be purchased? Are wholesalers nearby? These are among the questions that must be considered.

Market or Trade Territory

Before deciding to locate a retail store in any community a study of the local market with relation to the question of the economic need of another such store is the logical procedure. The situation with respect to competition is an important point. How many and how large are the present stores? What is their financial strength? Do they carry a sufficient stock of merchandise and what service do they offer to their trade? It does not necessarily follow, however, that because competitors show apathy and small sales that there are no potential sales. It frequently has been found when a new and thrifty merchant enters the retail field that not only his business is successful, but also that the business of his competitors increases. A potential local market may exist and may only need development, but if the local market is fully expanded and taken care of, a new merchant will have to rely upon his ability to attract trade from his competitors, either by rendering an improved or special service or by selling at a lower price.

What service policies will be expected in the new location can be ascertained beforehand by observing some of the practices of the local market. In some localities customers may require delivery service and long-term credits, while in others the cash-and-carry system may be satisfactory. The requirements of the customer must determine to a large extent the type of store to be operated.

Besides an analysis of the local market, a study of the surrounding trade territory might prove to be extremely valuable in determining the advantages of the city for the store. The industries of the entire territory may be profitably studied along much the same line as the local industries, especially with regard to size, character, and possible future development.

The surrounding agricultural conditions often play an important part in the retail life of a community, especially in the West. How large and how important a place agriculture holds and its possible effects upon the retail business can be estimated as a result of careful study. A review of the crop production for a number of years back will reveal something of the stability of the farmer's income, particularly if production statistics are supplemented with data on the fluctuations in selling price for the corresponding years. Consideration is well given to the seasonal character of the farm products, to whether the crops all come within a short time so that the farmer has much money part of the time and little at others, or whether production is diversified so that if the season is bad for one crop the farmer may still have money gained from the other crops.

The transportation facilities of the surrounding trade territory may affect to a large degree the amount of trade that is drawn therefrom. The number of electric lines serving the city and the rates and conveniences of these roads; also the number and condition of the highways used by bus lines and automobile traffic to surrounding points, may be factors instrumental in drawing trade.

Along the same line as transportation to and from the city comes the problem of delivery service. Delivery to the neighboring communities may be accomplished by means of cooperative delivery service, parcel post, or private carriers. Such plans require analysis as to service and cost.

Some study of the customs of these possible tributary communities may be carried on with profit. Are the people accustomed to going to some local gathering place, as, for example, a courthouse town, to make their purchases? Do they purchase largely through mail-order houses? Are the retail stores that serve them efficient as to merchandise handled and as to service rendered? These and other similar questions might be raised.

Probably a large part of the surrounding trade territory will have to be developed by advertising. Then it is necessary to determine whether the contemplated business is adaptable to an advertising appeal. If it is, the question arises as to whether there are advertising mediums of the desired kinds. Are there daily or weekly newspapers; and, if so, how many out-of-town subscribers have they? There is also the possibility of direct-mail advertising. Many large cities draw the shopping trade from a long distance, as, for instance, Boston and New York. From the viewpoint of the small-town merchant, the attraction of the city store is

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"OLD D. B. I." GIVES RULES FOR SUCCESS

PHIL M. PHULOFAX, D. B. I., who is an extremely busy man, was found hard at work at eight o'clock when our representative called on him at the Bayuk offices in Philadelphia. Mr. Phulofax, or "Old D. B. I.," as he is now fondly called, is making preparations for his annual tour of the United States, and, although he expects to remain in telephonic communication with the home office, he had much to put in order before he left his desk in charge of his competent secretary. Therefore he handed us his typewritten message which he hopes will give some food for thought to his retailer friends throughout the country.

"Building a business is like building a house. I talked in my last message about the foundation, confidence. Once that is laid, the structure must have four sturdy corners to support the roof, and if you plan to keep a roof over your head nowadays, you've got to build carefully. These four pillars are the ones which I've found absolutely essential:

"The first, HAVE THE GOODS. You must have something to sell, which means that you must buy before you can sell. Moreover, you must keep your good brands always in stock. When a fellow has tried more than once to buy something he wants, only to meet the answer that you're sold out—more coming in next week—he will turn his steps in some other direction.

"Second, KNOW YOUR GOODS. Know your stock as you know your old shoes. Be able to lay your hand immediately on what the customer asks for, or what you think he might want, in case he's not sure himself. Do some homework and have the answer ready. If a cigar is domestic, know what kind of wrapper is used and whether Havana or domestic filled. If a clear Havana, know everything about the brand you can.

"Third, SHOW YOUR GOODS. Take a tip from the wife, who always likes to see what she's getting. Be sure that each box and its contents are visible, not hidden under some other brand or behind the counter. See that the boxes look well fed and well dressed. If your salesmen supply window cards or other display aids, make the best of 'em. They are meant to help you.

"Fourth, SELL YOUR GOODS. You have them, you know them and you show them, but you've got to sell them. You can't expect your trusty smokes to talk for themselves—not unless your're a ventriloquist. If a man wants *one* cigar, he's a potential market for more.

"That's the framework for your business. But once made, you can't sit back and let it go to ruin. Every prop must be kept in good repair if you expect your building to stand in all kinds of weather. Look to your props!"

WALGREEN EARNINGS

Walgreen Company and subsidiaries report for the six months ended March 31st net profit of $787,546, after charges and Federal taxes, but before subsidiary preferred dividends. This is equivalent, after subsidiary preferred dividends and Walgreen 6½ per cent. preferred dividend requirements, to seventy-eight cents a share on 801,980 no par shares of common stock outstanding at close of the period.

This compares with $855,894, or eighty cents a share, on 858,409 common shares in the first six months of the previous fiscal year.

LORILLARD COMPANY SELLING MORE

P. LORILLARD COMPANY'S earnings in the early months of 1932 have been running well above 1931. The price of "Old Gold" cigarettes was raised to $6.85 a thousand, from $6.40, July 8, 1931.

Not only the higher price of cigarettes, but three other factors have helped Lorillard in 1932. The retirement of all outstanding 5½ per cent. bonds last year, reducing funded debt from $33,679,150 at the end of 1931, to $19,740,000 now means an interest saving, after allowing for return on money used to retire the bonds, of around $500,000 this year. A second important factor is the increase in smoking tobacco sales.

Sales of the company's leading brand of smoking tobacco, "Union Leader," in 1931, were practically 100 per cent. above 1929; so far this year, they are about 25 per cent. above 1931.

This tobacco is suitable for either pipe or hand-rolled cigarette. Both these latter forms of smoking tend to increase in a depression.

Lorillard also has recently introduced a new five-cent package of pipe tobacco, "Hurley Burley," which has been meeting success wherever introduced. Manufacture of this low-priced product has been made possible by lower prices for leaf tobacco.

This drop in leaf tobacco prices is a third factor in Lorillard's better earnings for 1932 to date. While raw tobacco prices have been dropping for several years, the decline is much more important in Lorillard's costs this year than previously, because of the custom of buying tobacco two to three years before it is to be used, to allow for aging, and then averaging costs of the crop over a three-year period.

Lorillard's other products are making good showings. Little cigars, Turkish cigarettes, and chewing tobacco are in their line. "Rocky Ford" five-cent and "Muriel" ten-cent cigars, without any great promotional effort on the part of the company, are selling well. These divisions, while not important factors in Lorillard's total earnings, are each returning a profit to the company.

TRADE NOTES

Fred Suss, of S. H. Furgatch, was a visitor last week, calling on the trade in the interest of the new size of the "Langsdorf" brand, "Longboys." Yahn & McDonnell are distributing this brand with good success.

"Chukkers," the new brand of Simpson, Studwell & Swick, recently taken on for distribution in this territory by John Wagner & Sons, is going over in a very satisfactory way for a twenty-five-cent cigarette. Repeat orders are being received in good volume.

M. J. Bacik, of the John H. Swisher Company, Jacksonville, Fla., was in town last week working on "Florida Kings," one of the Swisher Company's popular brands. Yahn & McDonnell, 617 Chestnut Street, are local distributors for the Swisher products, and they report a good demand.

A. Novotny, of Novotny's Smoke Shop, New York City, was a visitor at John Wagner & Sons last week in the interest of his "Philosopher" smoking tobacco. John Wagner & Sons are United States distributors for this high-grade smoking mixture and are steadily increasing their sales of this brand.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

said to be a distinct problem and one that must be taken into consideration when deciding to locate in a given town.

Personnel

The facts regarding the supply of necessary personnel for a store organization are pertinent. If a department-store owner, for instance, is contemplating the opening of a new store in a city, it would certainly be well to make sure that there is a supply of desirable people available for a sales force. The supply might be considered from the point of qualifications and adaptability.

The standard of living in relation to the personnel is another important feature in the problem of store location, as is also the average price of the principal items in living costs. In connection with the latter, the percentage of employees of similar establishments living at home, as compared with the percentage of those rooming and boarding, plays an important part. It has been found that there is a decided difference in the customary wages of employees living at home and of those rooming and boarding.

The turnover of personnel in similar stores in the same city may be indicative of the condition of the retail labor situation in the new location.

Banking and Finance

To the merchant locating in a new community ability to secure proper and adequate banking facilities is of importance, particularly during the initial stages when the establishment of the business involves a large outlay for stock, fixtures, help, equipment, etc. As a general rule, in any city where a fairly large retail store might locate, such facilities would ordinarily be ample, and the question would resolve itself into a choice as to which institution offered the best facilities. In the smaller towns, however, the field is generally limited to one or two institutions, and in such cases it is advisable to know the attitude of the banks toward new ventures and their willingness and ability to extend accommodations. Other merchants in the town might be consulted to determine to what extent the banks cooperate with the local merchants, especially in times of depression or when seasonal effects temporarily retard sales.

Government Regulations

The effect of governmental regulations varies, and a careful distinction must be made between those which might have a material effect upon the business itself and those which have a material effect on the handling of the business. Most of the existing Federal regulations have to do more particularly with the management, and are practically limited to the accounting reports which must be made periodically for the purpose of taxation.

There may be, however, State and municipal regulations which will not only have an effect upon the business welfare but which also bear upon the welfare of those directly connected with it. Examples in this respect are: (1) The itinerant-vendor statute, which has been pressed for enactment before several of our State legislatures (it might be suggested that itinerant vending, and its effect upon retail-store business in a given community, commands some attention in connection with store location in that community); (2) limitation of hours of labor, especially for women; (3) the minimum wage law or regulation, which has been passed by many State legislatures. These serve as examples of statutes pressed for the improvement of working conditions within a store. Right or wrong, they deserve consideration in that they effect sales costs.

There are, of course, other municipal regulations such as parking restrictions, zoning laws, one-way streets, etc., which also have an effect upon the sales, but as these are considered more specifically in the question of a particular site location, little analysis is necessary at this point.

Site Factors

Physical Location

The choice of a site within the community is frequently just as important as the choice of the community. A factory can move without suffering a tremendous sales loss, but not so with a retail store. Therefore, a practical survey for location purposes will include a study of present-day conditions and the possible economic changes of tomorrow.

One of the outstanding examples of changing economic conditions is the shifting of population with a consequent moving of the retail center. There has been a definite shifting of business centers in most communities, especially since the coming of the automobile. Not on the movement of business centers alone has the automobile had its effect, but it has also changed many residential districts. Moving the store in order to cope with these changes is attended with many difficulties which would have been rendered unnecessary through proper consideration, at the outset, of site location problems.

The store that caters to a particular class of trade is often located at a point near this trade. This proximity to the consumer may be necessary to secure the desired patronage. Hence, the shifting of this class of trade must be closely studied so that contact with the market will not be lost.

After determining the approximate locality in which a site is desired, there are a number of factors influencing the choice of the particular street. The distance of the street from the lines of communication is very important. Usually, in all but the larger cities, the main shopping street is the one traversed by street cars. Street-car lines may serve numerous types of communites. Therefore, some analysis of the traffic that the car lines carry may be profitable. Street cars coming from one district will bring a different class of trade from that brought by cars coming from another district. Then again, it may be desirable not to locate the store on a street with street cars. This might depend on the buying habits and the type of customers. Customers with automobiles may prefer to go to side streets, where there are no street cars, to avoid the traffic. The effect of bus lines is also worthy of consideration. The frequency of service and the fare of either the street cars or the bus lines will affect their importance with regard to street location.

Many of the present retail districts originated before automobiles were so numerous, and, therefore, many of the streets are not wide enough to afford requisite parking facilities. Most cities have been compelled to make parking restrictions, and, no doubt, there will be many more made in the future. Some streets have been made one-way thoroughfares to facilitate the handling of traffic. Both of these facts have some bearing on the selection of the street best suited to store location. The effect of present and possible future restrictions upon the proposed business also merits due regard. In some businesses the need for space to park cars is not so imperative as in others, depending somewhat on the length of time consumed in making purchases.

Somewhat analogous to the restrictions mentioned are the zoning regulations that are made by cities.

(*Continued on page 17*)

A CLEARING HOUSE FOR TECHNICAL TALENT

THE Technical Service Committee has been formed at the Engineer's Club of Philadelphia. Its aims are to secure for the employer of technical men, the best the field has to offer and to secure positions for these applicants. Confidential service is given without any cost to either party. The committee is fostered by the Engineer's Club and twelve affiliated technical societies. Its co-operation with the State Employment Commission helps assure its permanence.

The committee's list of 600 engineers and technical men available is composed of members of nine branches of the profession, representing sixty-eight different occupations. This group offers experience in 284 industries. All of this list, with the exception of 2.6 per cent., are college trained, and 19 per cent. of the total number attended two or more colleges.

If the result in placing of engineers through the efforts of this service is an indication of conditions, we are really approaching that corner around which prosperity is hiding. During the past week five applicants were placed, an increase over previous weeks. Thirty-two new names were enrolled, showing a decrease. This represents a net placement of 15.6 per cent. for the week, against 3.7 per cent. for the two months the committee has been in operation under its present set-up. Total placements to date are twenty-two. These results, though not startling, are gratifying in view of the business depression just ending.

If any one in the tobacco industry is in need of a technical man, he may be assured of securing the right man by writing the Technical Service Committee, at 1317 Spruce Street, Philadelphia, Pa.

PHILIP MORRIS, LIMITED, REPORTS

Philip Morris & Company, Limited, reports for year ended March 31st net income of $498,833 after charges and Federal taxes, largest earnings in the company's history. This is equivalent to $1.20 a share on 415,465 shares of capital stock, including shares held by the company, and compares with $416,908, or $1 a share in the preceding fiscal year.

CONGRESS CIGAR EARNINGS

The Congress Cigar Company reports for the March quarter net profit of $102,913 after taxes and charges. This is equivalent to thirty cents a share on 336,800 shares, compared with $222,910, or sixty-three cents a share on 350,000 shares in the first quarter of 1931.

RETAIL STORE PROBLEMS

(*Continued from page 16*)

These regulations probably pertain more to manufacturing industries than to the retail trade. Some of the zones are, however, restricted to residential properties and do not allow merchants to enter.

Some streets offer better advertising advantages than others. This is true not only because there is a greater number of passers-by, but also because some streets may be easier to find than others. The importance of the latter factor would, of course, depend upon the proportion of the trade drawn from the surrounding territory. Often the farmers and other visitors will know only a few streets in a city; hence the advertising may become more effective when the visiting customer is already familiar with the location.

(To be continued)

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

INHALING BY SMOKERS OLD PRACTICE

INHALING has become the subject of much discussion since the question was raised by statements in advertisements appearing in newspapers throughout the country that every smoker breathes in some part of the smoke he or she draws out of a cigarette. Although the subject has been brought up thus only recently, inhaling is probably as old as the practice of smoking itself. History records that inhaling was common among the Indians long before white men were introdueed to the enjoyment of smoking. For example, Gonzalo Fernandez de Oviedo y Valdez, who sailed with Columbus and later devoted years to the study of the manners and customs of the natives, in setting down the results of his study, speaks of the Indians "inhaling a certain kind of smoke which they call tobacco." Similar mention is made by other historians. Since that period, of course, vast changes have taken place in the practice of smoking. The "short smoke" has become an important part of American life with more and more men and women reaching for cigarettes since removal of impurities has been made possible by improved manufacturing methods such as the toasting process including the use of ultra violet rays. The Indians, on the other hand, often employed, according to the historians, a tube shaped like a Y, the forked extremities being inserted in their nostrils and the tube itself in the lighted tobacco.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

SOMETHING SPECIAL:—46,035. For all tobacco products. April 13, 1932. D. Emil Klein Co., Inc., New York, N. Y.

SMOKY MARY:—46,036. For cigars. March 25, 1932. L. M. Haynie, New Orleans, La.

ALGERIA:—46,037. For smoking pipes. May 6, 1932. The Briarwood Corporation, Cleveland, Ohio. (By consent of The Metropolitan Company, Denver, Colo.)

HUNTLEIGH:—46,032. For all tobacco products. March 21, 1932. Christian Peper Tobacco Co., St. Louis, Mo.

ELMHURST:—46,033. For all tobacco products. March 24, 1932. Cuesta, Rey & Co., Tampa, Florida.

TRANSFERS

TINTORETTO:—27,862 (Tobacco Leaf), and **30,097** (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered June 24, 1904, by O. L. Schwencke Co., Brooklyn, N. Y. Transferred by Moehle Litho. Co., successors to original registrants, to Harry A. Tint, Philadelphia, Pa., April 26, 1932.

GENERAL CIGAR COMPANY

THE earnings gains scored by this company in the third and fourth quarters of 1931 contrast sharply with the comparative performances of other leading cigar producers, and evidence the further improvement of its relative trade position. General's total unit sales last year were less than one per cent. beneath the 1930 volume. The increasing popularity of the five-cent cigar indicates that this company, as a leading producer of class A (five cents and under) cigars, is one of the few units in a position to secure future earnings gains.

Earnings expansion in the latter half of 1931 was not sufficiently substantial to offset the 37 per cent. decline in returns for the first six months. In consequence, full year profits of $54.41 a preferred share and $5.01 a common share compared unfavorably with the $64.03 a share and $6.03 a share reported for the preferred and common stocks, respectively, in 1930. Present dividend rates of $7 on the preferred and $4 on the common are considered secure.

Last year this concern produced over 775,000,000 cigars, or approximately 15 per cent. of total domestic output. The preponderance of its sales is concentrated in the five-cent field, where it is represented by the "White Owl" and "William Penn" brands. The bulk of the remainder is sold in the medium price class under the "Robert Burns" trade name. Distribution is effected primarily through an extensive system of branch warehouses. The 1931 balance sheet revealed a sound liquid financial position, cash alone having been in excess of current liabilities. The funded debt, which equaled $2,800,000 on December 31, 1931, matures at the rate of $700,000 annually.—Standard Trade and Securities.

"CAMEL" PROGRAM TO LEAVE AIR

THE "Camel" Quarter Hour will leave the air for the summer on May 28th, R. J. Reynolds Tobacco Company has announced. The "Prince Albert" Quarter Hour, also sponsored by R. J. Reynolds Tobacco Company, leaves the air the last of April and officials of the company said this was also for the summer.

Featuring Morton Downey, the "Camel" minstrel; Tony Wons, scrap-book philosopher, and Jacques Renard and his orchestra, the program will have been on the air exactly fifty-two weeks on May 28th.

The "Camel" Quarter Hour was first broadcast from the studios of WSJS in Winston-Salem, N. C., on May 18, 1931, when the Reynolds Tobacco Company brought the winners in the $50,000 contest to that city for presentation of the prizes. Morton Downey and Tony Wons went there also at that time and presented their program immediately following the banquet to the prize winners.

The "Camel" Quarter Hour is now on a vaudeville tour which has already filled engagements in theaters at St. Louis, Cincinnati, Cleveland, Chicago, Rochester, Syracuse, Albany, Boston and Buffalo. The engagement will take the program to Detroit, Indianapolis and Baltimore before ending in the latter city on May 14th. The program is being broadcast over the Columbia Broadcasting System and WSJS.

The "Prince Albert" Quarter Hour, which is being heard over the National Broadcasting Chain for some time, will leave the air the latter part of this month. The program features Alice Joy with Paul Van Loan and his orchestra and "Old Hunch."

DRUG, INCORPORATED, EARNINGS

Drug, Incorporated, which controls the Louis K. Liggett Company, United Drug Company and the Owl Drug Company, for the quarter ended March 31st reports net profit of $4,561,573 after interest, depreciation, Federal taxes and minority interest. This is equivalent to $1.30 a share on 3,501,499 no par shares of capital stock, and compares with $5,384,146, equivalent to $1.54 a share in the first quarter of 1931.

MORGAN PRESIDENT OF UNITED STATES PRINTING

Arthur R. Morgan has been elected president of the United States Printing and Lithographing Company, to succeed John Omwake, who was elected chairman of the board. J. R. Lowe was elected vice-president, and Justus Schuller secretary. Clifford R. Wright was elected a director to succeed the late C. A. Bosworth.

WEBSTER EISENLOHR REPORT

Webster Eisenlohr, Incorporated, reports for the quarter ended March 31, 1932, gross profit from manufacturing of $121,430, as compared with $241,181 in the first quarter of last year, and a net deficit of $34,946, after depreciation but before interest.

In the first quarter of last year the net deficit was $106,526.

"Monticello," the controlled brand of John Wagner & Sons, is enjoying a highly successful demand, exceeding expectations in this territory, since it has been made in the new shapes and sizes, replacing the "Carl Upmann" formerly distributed here by the Wagner firm.

JUNE 1, 1932

VOLUME 52

THE TOBACCO WORLD

LIBRARY RECEIVED JUN 6 - 1932 U. S. Department of Agriculture

"Aged In Wood" A Grand Slogan For Your Good Cigars

"Aged In Wood"—What happy memories it recalls!

And those who smoke cigars for their full flavor and rich aroma insist that only wooden boxes properly age and ripen them.

Smokers identify good cigars by the wooden container. Experienced manufacturers know that cigars can be kept in proper condition in wooden boxes at all times.

AUTOKRAFT BOX CORPORATION produces wooden cigar boxes of all types, including boite nature. The flexibility of its manufacturing methods, and its numerous locations for fabrication and distribution, enable it to meet promptly any changes in the customer's requirements.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio
Kansas City, Mo.

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

Fashion Note
for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52

THE TOBACCO WORLD

Number 11

Established 1881
TOBACCO WORLD CORPORATION
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Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
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$2.00 a Year | PHILADELPHIA, JUNE 1, 1932 | Foreign $3.50

UNITED REALTY CO. IN BANKRUPTCY

THE UNITED Stores Realty Corporation, a real estate subsidiary of the United Cigar Stores Company of America, with offices at 625 Madison Avenue, New York City, went into voluntary bankruptcy on May 21st. In its petition filed in the Federal Court in New York City by Thomas C. Chamberlain, attorney, of 120 Broadway, the corporation gave its assets as $1,543,625 and its liabilities as $8,116,589. Among the liabilities are listed debts totaling $7,900,000 owing to the United Cigar Stores Company on loans. The Irving Trust Company was appointed receiver.

A statement issued from the offices of the United Cigar Stores Company of America declared that the United Stores Realty Corporation has been engaged in real estate operations for more than twenty years and owns and leases property in about twenty States, also leasing to others for stores and other uses. A number of the stores of the United Cigar Stores Company and Whelan Drug Company, Inc., occupy premises under subleases from the realty corporation.

"The great decline in real estate values," the statement sets forth, "since 1929 has practically wiped out the realty corporation's equities owned by it, which properties are heavily mortgaged. The great decline in rental values and consequent falling off in income involved the realty corporation last year in heavy losses and brought about its insolvency."

The petition was signed by George J. Wise, vice-president of the bankrupt company, and certified by William A. Ferguson, secretary.

JOSE MENENDEZ Y CA INTRODUCING BRAND IN NATURAL WRAPPER

Jose Menendez y Ca, Jacksonville, Florida, is introducing to the smoking public a five-cent cigar under the name of "Jose Menendez y Ca's Spanish Blunts."

There are two interesting features to the package. First of all the transparent covering has been abandoned and the cigar is packed in its natural wrapper.

The wooden box is also a feature because its top and bottom as well as the front will be made of genuine Spanish cedar.

The cigar is hand-made and is a pleasing smoke for those who enjoy the Havana type of cigar.

NEW TREASURER FOR CONSOLIDATED

It was announced last week that Alfred Silberman, of Silberman & Kahn, Incorporated, Hartford, Conn., growers and packers of Connecticut Shade Grown tobacco, had been elected treasurer of the Consolidated Cigar Corporation. Mr. Silberman is a son-in-law of Julius Lichtenstein, president of the Consolidated Cigar Corporation.

CIGARETTE PRICES RAISED

IN A FURTHER effort to obtain a legitimate profit from the sale of the popular brands of cigarettes, prices were again raised on May 17 by the United Cigar Stores, Schulte Retail Stores and the Liggett Drug Stores to 14 cents a package, or two for twenty-seven cents.

Whether the raise will be permanent is in doubt until the chain grocery stores are heard from, and according to last reports, they had nothing to say. A year ago a similar attempt was made to raise cigarette prices, but when the chain grocery stores refused to cooperate, the price again receded to two packages for twenty-five cents.

Some of the independent price-cutters are still selling cigarettes at two packages for twenty-five cents along with the chain grocers, and if they begin to attract customers from those who have recently raised prices, it is doubtful if the raise will continue in force for any length of time.

HAVANA STRIKE NEAR SETTLEMENT

Advices from Havana last week were to the effect that the strike of cigarmakers in that city is very near settlement, and the "Partagas" Company is about ready to resume manufacturing operations at its factory at Bejucal, which is about twelve miles from Havana.

The cigarmakers there are ready to resume work at the reduced wages which have been insisted upon by the manufacturers since the beginning of the strike, and the "Partagas" Company is reported to have shipped a quantity of leaf tobacco to that point in preparation of resuming operations with union workers in good standing.

Other factories in Havana will undoubtedly resume operations in a short time.

UNION STOCKHOLDERS STILL OPPOSED

The committee of minority stockholders of the Union Tobacco Company have sent a further letter to Class A and common stockholders, asking for their co-operation in opposing the plan for distribution of certain assets to some of the preferred stockholders of the company. The committee maintains that the preferred stockholders would receive $2 in present cash value of Tobacco Products debentures for each $1 of asset value of preferred stock surrendered.

PARK & TILFORD REPORT

Park & Tilford, Incorporated, reports estimated net loss for the initial quarter of 1932 at $128,413 after charges, as compared with net loss of $35,767 in the first quarter of 1931.

PHILADELPHIA.

"WELLINGTON" FOR YAHN & McDONNELL

ABE BERKOWITZ, representative for the Christian Peper Tobacco Company, St. Louis, manufacturers of high-grade tobaccos and cigarettes, was in town last week and has placed their "Wellington" and "Del Monte" smoking tobaccos with Yahn & McDonnell for exclusive distribution in this territory. The "Wellington" brand retails at twenty-five cents for a two-ounce package and the "Del Monte" retails at fifty cents for a four-ounce package. "Listerine" cigarettes are also enjoying a good sale here.

Yahn & McDonnell are also displaying a new packing of their own "D & M No. 1" smoking tobacco retailing at twenty cents for a one-ounce package. To introduce this high-grade tobacco to new smokers they are giving one one-ounce package free with each purchase of their No. 761 pipes retailing at $1. They also have an open can of the "D & M No. 1" on their counter at 617 Chestnut Street, and every pipe smoker is invited to fill his pipe with this mixture and become acquainted with this fine tobacco.

John Flannigan, of the M. J. Dalton store, 617 Chestnut Street, has a timely window display of gifts for graduation time. The display consists of beautiful Ronson lighter sets, tobacco pouches, ash receivers, etc., suitable for the male sex, and the spirit of the occasion is carried out by several diplomas artfully placed in the display. The window was arranged by Mr. Flannigan, who is an expert window dresser of long experience.

Another window of the Dalton store contains an attractive display of the "Bering" cigar, and this display was also featured in all the Yahn & McDonnell stores and hotel and club stands during the past week.

UNITED OFFERING COMBINATION DEAL

The United Cigar Stores are featuring a combination pipe deal consisting of five fifteen-cent packages of "Revelation" smoking tobacco given free with the purchase of each $1 briar pipe, or two packages free with each purchase of a fifty-cent briar pipe.

KYNETT HEADS POOR RICHARD CLUB

H. H. Kynett, of the Aitkin-Kynett Company, advertising firm of this city, was elected president of the Poor Richard Club last week. Mr. Kynett is also a director of the G. H. P. Cigar Company.

NEW FIVE-CENT BRAND FOR MARSH

WILLIAM A. COPPLE, representing M. Marsh & Son, Wheeling, W. Va., in Illinois, Indiana, Michigan, New York, New Jersey, Delaware, Maryland, Philadelphia, and the New England States, was in Philadelphia last week calling on the jobbers in the interest of Marsh Stogies, their "Pioneers," which is a new seven-inch stogie shade wrapped, which is something entirely new in the stogie field, and their new five-cent "Rondax," which is a mild Havana-blended long filler-shaped cigar.

Mr. Copple was associated with Bobrow Brothers for twenty-one years and has a wide experience in the cigar industry. He was returning from a swing around his territory and proudly displayed a well-filled order book, and we particularly noticed one order for 100,000 "Virginians," which is a three-for-ten stogie.

Mr. Copple reports that many of the largest and most prominent jobbers in the Middle West and eastern part of the country are now distributing M. Marsh & Sons products with excellent success. Among these jobbers he mentioned Nathan Fox in Chicago; Tinkham Brothers, Jamestown and Buffalo, N. Y.; Mellon in Brooklyn; Faber, Coe & Gregg in New York City, and Yahn & McDonnell in Philadelphia.

Mr. Copple had a sample box of the new "Rondax" brand, which is to be announced in the near future, and it is a particularly attractive package. The labels are red, with gold lettering, and the name "Rondax" is very prominent on all four sides and on the top of the box. The packing is a one-twentieth all-wood box.

The two Marsh factories in Wheeling are back on full-time operation after operating below capacity for several months, and we are just wondering if Mr. Copple's orders have anything to do with the resumption of full-time operations.

John Wagner & Sons' "Monticello" brand is showing exceptional activity in this territory, where it has recently been introduced in new sizes to fill the place formerly occupied by the "Carl Upmann" brand in the Wagner line. They report an increase in the sales of this brand far exceeding expectations.

The H. & S. Stores, retail druggists, featuring a cigar and tobacco department, have added another store to their chain at Forty-ninth Street and Baltimore Avenue. The stores are operated by Harry Sylk.

DO YOU INHALE?

Why is this vital question so much avoided by other cigarettes?

Copr., 1932, The American Tobacco Co.

EVER since Lucky Strike created that special process for purifying fine tobacco and told the full facts about cigarette smoking—*the industry has been in an uproar.* For Lucky Strike has dared to mention things that were considered "taboo" in the cigarette trade.

You may have noticed a striking avoidance generally of the word "inhale" in cigarette advertising. Why? Goodness only knows! For everybody inhales—knowingly or unknowingly! *Every* smoker breathes in some part of the smoke he or she draws out of a cigarette.

That's why it's all-important to be certain that your cigarette smoke is pure and clean—to be sure you don't *inhale* certain impurities.

Do you inhale? Lucky Strike *has dared* to raise this vital question—for it gives you the protection you want . . . **because** certain impurities concealed in even the finest, mildest tobacco leaves are removed by Luckies' famous purifying process. Luckies created that process. Only Luckies have it!

"It's toasted"

Your Throat Protection against irritation—against cough

O. K. AMERICA

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike news features, every Tuesday, Thursday and Saturday evening, over N. B. C. networks.

MASSACHUSETTS TOBACCO TAX DEFEATED

ALTHOUGH Governor Ely, of Massachusetts, strongly recommended a State tax on all tobacco products, claiming that tobacco companies were in a very profitable business and classing tobacco as a luxury, the Legislative Committee on Taxation definitely turned down his proposal for the tax last week.

Governor Ely's proposal called for a 20 per cent. tax on cigarettes; $3 a thousand on cigars selling at three cents or less, and $10 a thousand on all others; little cigars, one cent on each ten or fraction thereof; chewing tobacco and snuff, one cent on each three ounces or fraction thereof, and smoking tobacco, one cent on each five cents of the retail selling price.

HABANELLO SALES EXPANDING

The McKesson, Fuller, Morrison Company, Chicago, have taken on the "Habanello" for distribution, and Amedee Levie, Western representative, has been working with them and "Habanellos" are receiving a wonderful reception there.

Gus Lorber, Middle Western representative, is working with Tinkham Brothers, Jamestown, N. Y., and increasing sales and distribution of "Habanellos" in that territory.

J. B. Murphy, working under the direction of Amedee Levie, has been developing wonderful results in placing "Habanellos" through the Harle Haas Company, of Council Bluffs, Iowa. Excellent results have been obtained in Omaha, where the brand has only been introduced a few weeks, and many repeats have already been received.

H. S. McGinness has been working the past few weeks in the West Virginia territory, covered by the Bock-Stauffer Company, Pittsburgh, and some excellent placements were obtained, with a goodly number of new accounts opened.

TWENTY-THIRD DISTRICT CLASS A GAINS

Statements released last week show output of Class A cigars in the Twenty-third District of Pennsylvania increased in April, as compared with last year's production during the same month.

The district turned out 6,601,925 cigars last month as compared to 3,443,260 in April last year, according to figures released by the Internal Revenue Department last week.

Class A production dropped from 81,918,810 to 72,905,060 in the first district.

Class B production in the same district dropped from 7,187,840 to 526,177, and Class C dropped from 39,660,732 to 14,904,014.

Collections from stamp sales showed a corresponding decrease.

AMERICAN CIGAR DIVIDEND

A dividend of $2 on the common stock of the American Cigar Company, payable June 15th to stockholders of record June 4, was announced on last Tuesday.

This is the first dividend declared on the company's common stock since November, 1929. Only a small amount of the stock is held by the public, approximately 95 per cent. of the 200,000 outstanding shares being held by the American Tobacco Company.

The Modern Cigar Shop, Upper Darby, Pa., which filed a voluntary petition in bankruptcy recently, has filed a schedule showing liabilities of $10,783 and assets of $3565.

Trade Notes

The "Royalist" factory, North Second Street, is running along smoothly, with a good volume of orders steadily coming in from territories where this brand has been introduced.

Kid Nichols, the genial ambassador of M. Bustillo & Merriam, Tampa, was in town last week with his genial smile and optimism and stating that "business is good" on "Espadilla" and other M. B. & M. brands.

Henry Voice, of the Consolidated Lithographing Corporation, was in town last week visiting among the manufacturers and, as usual, did not depart until he had received a goodly volume of orders for his firm.

Frank Swick, of Simpson, Studwell & Swick, manufacturers of the "Chukkers" cigarettes, was in town last week, and reports good business on this brand. The "Chukkers" brand is distributed by John Wagner & Sons, in this territory.

Ben Lumley has just returned from a swing around his territory in the Adirondacks and Catskills and reports a highly successful trip with a good volume of orders received for his "Dulce" and "Verdi" brands of the Sommerfeld Cigar Company, Miami, Fla., and "Garcia y Vega" brand, Tampa. Prospects are good for a splendid summer season in the mountain resorts.

A firm selling electric refrigerators is reported to have offered a carton of any of the popular brands of cigarettes at 89 cents to any person who would come in and register as a prospective purchaser of a refrigerator. With this sort of competition it is hard to see how any legitimate tobacconist can continue in business with the high rents, taxes, etc.

The price-cutting in the tobacco stores has now reached the cigar classifications, and while the first cut was made reducing the price of ten-cent cigars to five for thirty-seven cents by the chains, the independent cutters on Market Street here cut their prices to five for thirty-six cents, later to five for thirty-five cents, and last week they were down to three for twenty cents on any advertised brand of ten-cent cigars.

Harry A. Tint, who operates two high-grade stands in the central city section, is featuring a pipe selection for fastidious pipe smokers. The offering consists of a set of imported Comov pipes from London, one for each day of the week, in a handsome velvet-lined case.

Pipe sales throughout the city seem to have taken a decided upturn in the past few weeks and a marked increase in the volume of pipe sales is being experienced in many stores.

One so-called tobacco chain store on Market Street last week devoted an entire window display to tooth paste, shaving creams, face lotions, patent medicines, and baby foods at cut prices, and the only tobacco products displayed in the window were four packages of the popular brands of cigarettes which were given free, one package with each purchase of one tube of shaving cream. As Frank Crummit would say, "Figure it out for yourself."

FRESH! *not parched or toasted!*

When you smoke Camels you enjoy all the rare goodness of choice Turkish and mild sun-ripened Domestic tobaccos. For the tobaccos that go into Camels are never parched or toasted. The Reynolds method of scientifically applying heat guarantees against that.

Protected against drying out by the Camel Humidor Pack, a positive air-seal, Camels come to you with their natural moisture still present, insuring a cool, mild, flavorful smoke wherever you buy them.

If you haven't smoked Camels lately, compare their fresh, mild delight with the sting and burn of dusty dry cigarettes. Smoke Camels, then leave them —if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

CAMELS

***Made* FRESH — *Kept* FRESH**

● *Don't remove the Camel Humidor Pack — it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh*

© 1932, R. J. Reynolds Tobacco Company

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DISMISSAL of the complaint charging the General Cigar Company with entering into wholesalers regarding "exclusive territory" arrangements was announced May 26 by the Federal Trade Commission.

Objection to the dismissal of the complaint was noted by Commissioner McCulloch in a memorandum in which he declared that the company's arrangement with wholesalers confining the latter to the specific territory assigned them violates the Sherman Anti-Trust Law because, he said, "a manufacturer has the legal right to choose his customers and to limit them in numbers, but he has not the legal right, by exacted promises or by co-operative or coercive methods, to restrain his customers from making resales outside of allotted territory.

"The principle is the same in division of sales territory arrangements as in direct resale price maintenance," the Commissioner asserted, "for the former completely eliminates price competition—and, even though there would otherwise remain a degree of competition between dealers who sell respondent's line of cigars and dealers in other lines of cigars, the restraint is unlawful. The popularity of respondent's line would render the competition substantial, if unrestrained.

"There is no need to discuss the degree of suppressed competition involved in the present case, for all competition in the resale of respondent's line of cigars is eliminated by the regional restriction. Nor is it important that there still remains an opportunity for competition between retail dealers. They all buy from the same source and at the same price.

"The regional distributor fixes his own price at will and the absence of competition necessarily affects the price at which the retailer purchases his supply. And if it be discovered that the distributor, without competition, fixes a reasonable price, that fact would be still less important, for if the distributor may fix a reasonable price, it is within his power to fix an exorbitant one.

"While respondent has the legal right to restrict the sales territory of its seventeen branch sales departments, that feature of its plan cannot escape attention as the completion of a system which operates as a total exclusion of all competition in the distribution of its products."

Chain Store Tax Suggested for District of Columbia

Heavy taxes on chain stores in the District of Columbia, ranging as high as $1000 per unit, which would hit a full half dozen organizations selling tobacco products, are proposed by Representative Celler of New York, in legislation just introduced in Congress intended as a model bill for adoption by the States.

Under the Celler bill, every retail store in the District would pay a license fee of $5 if individually owned, while chain stores would be taxed at the rate of $5 multiplied by the number of units operated by the organization in the District. Thus the fee for two stores would be $10 per store, for five stores $25 per store, and for 200 stores or more $1000 per store, the maximum fee. One organization operating in Washington, it is understood, would be liable for the maximum tax.

Pointing out that progressive or graduated taxes for chain stores have been held constitutional by the United States Supreme Court in the so-called Indiana chain store tax case, Mr. Celler asserted that "recent studies clearly indicate that chain stores do not sell more cheaply than efficient independent retail merchants, although the chain store associations are endeavoring to deceive the public into a contrary belief.

"It is hoped that passage by Congress of such an act will blaze the trail for action by most of the States. Several States have already passed such laws. Some eighty similar bills are pending in the various State legislatures.

"Independent merchants," the Congressman declared, "will become as extinct as the dodo unless they are placed upon some parity with the chains. In many large cities there are no more retail cigar stores and few independent retail grocers. They cannot compete against the expert and mass purchasing, skilled management and tremendous advertising power of the chains. They have no chance for their 'white alley' unless the strong arm of the Government's taxing power comes to their aid. The tremendous growth of the chains must be scotched.

"Chains undoubtedly satisfy an economic necessity. But they must not grow at the expense of the fearless, independent, worthwhile citizen struggling to operate his retail store and striving to maintain his family and educate his children."

President Defends Protective Tariff

Refusing to accept legislation which he declared would utterly destroy the effectiveness of the flexible provisions of the tariff law, President Hoover last month vetoed the Democratic tariff bill under which all recommendations of the Tariff Commission as to changes in rates of duty would be submitted direct to Congress for action instead of to the President.

As expected, the Democrats could not muster the necessary two-thirds vote to pass the bill over the veto, and the measure was killed on a vote in the House of Representatives.

The flexible tariff, the President told the House in his veto message, "gives protection against excessive or inadequate tariffs, prevents a system of frozen tariffs upon the country irrespective of economic change, and gives relief from log-rolling and politics in tariff-making.

(Continued on Page 16)

GOLDEN GRAIN

THE BURLEY BLEND

GRANULATED TOBACCO

5¢

FULL OUNCE

IT'S a *blended* granulated cigarette tobacco, and that's just what smokers want these days. Golden Grain is the answer to thousands of cigarette smokers who wanted a new and more distinctive taste in roll-your-own tobacco. They were tired of the old-fashioned kind. It's a big step forward.

Another feature of Golden Grain is the *gummed* papers that come FREE with every package. Think of it—for 5¢ a smoker gets 1 full ounce of blended tobacco with 2 books of gummed papers. Golden Grain is the *only* blended granulated tobacco with *gummed* papers *free*.

You, Mr. Dealer, know the great demand nowadays for a 5¢ roll-your-own tobacco. If you haven't Golden Grain already in stock, your jobber will supply you.

BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KY.

Target Cigarette Tobacco, Wings Cigarettes, Raleigh Cigarettes and Sir Walter Raleigh Smoking Tobacco are others in the well-known group of B & W products.

TOBACCO TAX SURVEY SUBMITTED TO NEW JERSEY LEGISLATIVE COMMITTEE

F. STANLEY BLEAKLY, member of the New Jersey State Legislature from Camden County, has submitted a report to the Republican conference committee of the Legislature, following a three months' survey of tax measures in other States.

In listing his information he shows that a tobacco and general sales tax is in force in Alabama, Arkansas, Georgia, Iowa, Kansas, North Dakota, Ohio, Tennessee, Mississippi, South Carolina, South Dakota, Texas and Utah.

All of these States have less population and lower metropolitan density than New Jersey Bleakly pointed out. He believes that a tax on tobacco alone would realize $250,000 a month for New Jersey.

In submitting the report, Mr. Bleakly states: "Submission of this data is no indication that I favor this tax. I feel that every possible means should be taken to curtail expenses before any additional taxes are levied. If this curtailment is impossible, I think a general sales tax is probably more equitable than any proposal yet made."

ART HELPS INDUSTRY, SAY EXPERTS

Good art in advertising and good business go hand-in-hand, contrary to the general belief. Art authorities, whose views were made public today, hold this view. A survey was made on the occasion of the publication of the drawings of John La Gatta, the distinguished artist, in the advertisements of one of America's largest and most dynamic newspaper advertisers, the American Tobacco Company, featuring "Lucky Strike" cigarettes.

Art experts, commercial and non-commercial, agree with art and business educators that this trend on the part of large advertisers will help develop the artistic standards of the American people.

The tremendous force that advertising, reaching millions daily, exerts in present-day America which heretofore has been applied only to sell goods, will be a significant factor in the growth of aesthetic appreciation, these experts believe, as advertisers increasingly continue to utilize only the best artists.

Ellis Parker Butler, well-known author, sums up the role industry plays in art in one succinct sentence. "In a country where nation, state and municipality give so little recognition to art," he writes, "it is especially satisfactory that business should do so."

Artistic Taste Developed

"There can be no question that the tendency which has developed among the front rank advertisers in the last few years to use only the highest standard of art in illustrating their advertisements has done much to develop the artistic taste of the American public," says Ray Long, formerly editor of the *Cosmopolitan Magazine* and now with Richard R. Smith in the publishing business. Mr. Long believes that advertisements in newspapers, magazines and billboards "are as fine examples of the illustrator's art as may be found anywhere." He further expresses the sentiment that it is impossible to overestimate the value of the great work the American advertiser is doing in developing artists.

APRIL 1, 1932, CIGAR LEAF STOCKS

STOCKS of American-grown cigar filler types including Porto Rican amounted to 198,504,000 pounds on April 1, 1932, compared with 164,931,000 pounds on April 1, 1931, and 143,394,000 pounds on hand January 1, 1932. This shows an increase of about thirty-three and a half million pounds over the holdings of the previous year. The increase is in Pennsylvania Filler, Type 41, and Dutch, Type 44. Types 42, 43, 45 and 46 show a decrease. The bulk of the stocks of the filler types are reported in the C group. About 22 per cent. of the total stocks of filler type tobacco is reported in the X group. Of the total of 115,064,000 pounds of Type 41 tobacco reported, 1,332,000 pounds are reported as Binder or Tops, 84,040,000 pounds as Fillers and 29,457,000 pounds as Stemming.

The cigar binder types show an increase in stocks on April 1st, of about twenty-three million pounds over the stocks of a year ago April 1st. The total stocks of binder types were reported as 197,399,000 pounds on April 1, 1932, and 174,007,000 pounds on April 1, 1931. Binder stocks increased during the first quarter of 1932 about thirty-five million pounds compared with an increase of about forty-two million pounds during the first quarter of 1931. The detailed report shows that of the total stocks reported 4,306,000 pounds are of wrapper quality, 80,510,000 pounds are Binders, 10,338,000 pounds are Fillers, and 102,646,000 pounds are Stemming or X group tobacco. In Types 51 and 52 about 73 per cent. of the stocks are reported as Binders and about 24 per cent. as Stemming. In Type 53 the bulk of the stocks is reported in the X group. In Type 54 about 14 per cent. of the total stocks are reported as Binders and about 80 per cent. as Stemming. In Type 55 about 40 per cent. is reported as Binders, and about 52 per cent. as Stemming.

Shade-grown wrapper stocks of Connecticut, Georgia and Florida, Types 61 and 62 were 665,000 pounds higher on April 1, 1932, than they were on April 1, 1931. Total shade stocks were reported as 15,911,000 pounds. Of this total 10,845,000 pounds were reported in the A group as Wrappers, 4,179,000 pounds in the B group as Binders, and the balance in the C, X and S groups. Foreign-grown cigar leaf stocks were about the same, and foreign-grown other than cigar leaf about one million pounds lower than they were a year ago April 1st.

TOBACCO WITHOUT NICOTINE

Tobacco minus nicotine is produced from the leaves of a remarkable plant raised in Germany. This botanical freak is the reward of experiments conducted under the direction of the Ministry of National Economics at a research institute established in the midst of the tobacco-growing fields of Pfalz. Although an extract from the leaves is virtually as harmless as drinking water, the "smokes made from the plant are said to have much the flavor of ordinary tobacco.

UNITED PROFITS DOWN

George Wattley, treasurer of the United Cigar Stores Company of America, told stockholders at the annual meeting on Wednesday that profits of the company so far this year are not as good as last year.

He estimated the company would save $670,000 annually from salary reductions put into effect on March 1.

TECHNICAL PLACEMENT SERVICE TO INCREASE CONSUMERS' BUYING POWER

IN WASHINGTON, while speaking of the present crisis, an important senatorial voice proclaims: "The indispensable measures are a balanced budget and methods to get actual buying power into the hands of the consumer."

Right! In order to increase national buying power work must be found for those consumers who are without income at the present time. Individual efforts to secure employment have failed in many cases while concentrated contacting of industrial employers has met with much greater success.

For such concentration of efforts the Philadelphia Technical Service Committee was established as a permanent technical placement bureau, which charges no fees for its services.

The committee is sponsored by the Engineers' Club of Philadelphia, the local sections of fourteen National Engineering Societies and the State Employment Commission and is located at 1317 Spruce Street, Philadelphia. It registers engineers of all branches and at present has on its list of available applicants over 600 engineers and technical men.

This list represents the finest selection of technical talent which can be found anywhere. Those executives and employers of technical men who have not been contacted in person as yet, but who wish to fill a vacancy in their staff, are invited to communicate with the committee. They are assured of confidential, prompt and careful attention to their specifications.

KREUGER & TOLL FILE PETITION

Kreuger & Toll and two affiliated companies filed bankruptcy petitions in Stockholm on Tuesday of last week, and the petitions were granted by the court immediately.

Eric Sjoestroem, one of the closest friends of the late Ivar Kreuger, was arrested on his sick-bed a few hours after the petitions were granted. He is a director of Kreuger & Toll and was placed under guard and will be taken to jail when his health improves. Police also detained for questioning Major Nils Ahlstroem, another close friend and associate of the late Kreuger.

Action was also taken by the protective committee in this country, headed by Bainbridge Colby, former Secretary of State, to have ancillary receivers appointed here for the Kreuger & Toll Company. The collateral for Kreuger & Toll debenture 5s is held in this country by the Lee, Higginson Trust Company, of Boston.

The present market value of the collateral bonds is estimated at a very low figure, with the real market value unknown because most of the issues have no listed market. The bonds constitute assets which could be taken over by an ancillary receiver in this country.

Francis C. Gray, president of the Lee, Higginson Trust Company of Boston, announced on Wednesday the discontinuance of the company's activities. He said the company had cash on hand to cover the full amount of deposits and that depositors would be paid off at once. The trust company is independent of the investment and banking firm of Lee, Higginson & Company, which issued a statement to the effect that its investment banking activities would continue as usual.

LIGGETT & MYERS DIVIDEND

Directors of the Liggett & Myers Tobacco Company have declared the regular quarterly dividend of $1.75 on the preferred stock of the company, payable July 1 to stockholders of record June 10.

WHAT DOES "D. B. I." MEAN?

THOSE initials, D. B. I., which stand after the name of Phil M. Phulofax, well-known cigar retailing expert, have long whetted the curiosity of our editors, who finally decided to find out what they stood for. Therefore, our correspondent set out bright and early for the offices of Bayuk Cigars, Incorporated, fired with a determination to discover the meaning of those cryptic letters.

"There is a real meaning, of course, but they don't refer to 'Darned Big Individual' or 'Distinguished Business Indicator,'" replied D. B. I., who was found dictating final instructions preparatory to setting out on his annual coast-to-coast tour. "Those expressions, I am afraid, were invented by my flattering public, and much as I appreciate them, I must decline the honor. Furthermore, 'Don't Believe Initials.'

"Here are just a few interesting guesses at their real meaning:

Don't Be Ignorant,
Don't Be Impatient,
Don't Be Idle.

"And unless I seem to be dealing exclusively in 'don'ts,' here are some which you can add to the other side of the ledger:

Do Be Industrious,
Do Be Interested,
Do Be Inventive,
Do Be Individual."

Here are a few more D. B. I.'s which came out in the course of the conversation:

Dollar Building Ideas,
Dollar Building Instructor,
Defender of Better Incomes,
Dollars By Initiative.

"Personally," continued Phulofax, "I prefer 'Department of Business Ideas,' because that's what I aim to be. Incidentally, such a department should be a clearing house for the results of all the sound head work that is being done in the retail cigar business, and I am anxious to gather in all the canny selling tips which you, and you, and you have worked out and which I would like to pass on to your brothers in cigardom. So send 'em in.

"Then there's 'Dollars By Industry,' which is one of my favorites and one which could go after all our names to advantage. Dollars don't grow on bushes or spring up like weeds in the kitchen garden. They require serious cultivation—good ploughing, careful planting and back-breaking attention.

"There's just one more meaning which I want to leave with you," concluded D. B. I., as he snapped his brief case and moved toward the door, "and that is the one with which I usually answer such inquiries as you have made. It is: 'Don't Be Inquisitive.'"

For the benefit of our readers we report these many possible interpretations of the letters, "D. B. I." But what is their real meaning?

NEW DIRECTORS FOR VADSCO

Emanuel Katz, Edmond J. Leger, Sidney J. Loev, Daniel P. Seibert, Louis J. Pelikan, Charles M. Pritzker and Oscar U. Sisson were elected directors of the Vadsco Sales Corporation last week, increasing the board to fifteen members.

Stockholders have recommended that Monroe W. Rothschild, vice-president of the company, be elected president of the company at the organization meeting of the board. The company is controlled by the Schulte interests.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

RETAIL STORE LOCATION

(Continued from previous Issue)

One side of a street is usually more popular than the other. There may be several reasons for this. If the street is not level, the upper side is usually more traveled than the lower. This may be accounted for by the fact that the upper side of the street is cleaner, or that "the human tendency is to get on the upper side of things." Then, again, there is the question of the shady or sunny side of the street. In the summer the preference for the shady side becomes quite marked, and this is especially true for women, who do much of their shopping in the hottest part of the day. Sunlight is always an important factor to be considered in locating a retail store. Shoppers naturally seek the protection of the shady side of the street in the summer, and the sunlight affects the displays that the store makes in its windows. Satisfactory displays are more difficult to make in sunny windows than in those of which the light is controlled or shaded; a bright glare from the outside tends to make a mirror of the plate-glass windows, preventing the best appearance of any display. Then, too, the sun's rays will spoil some types of goods, especially the delicate fabrics displayed in the windows of stores catering to the trade of women.

It is possible, however, that for certain reasons the sunny side of a street may be preferred. An analysis of sales may show that the largest business is done in the winter month, during which time the traffic may prefer the sunny side. The rent is usually cheaper on the sunny side. Another factor in determining the preferable side of the street is the convenience to the street-car stops. When the car stops people usually go to the nearest curb, rather than cross the street. The distance of a location from a prominent transfer point is a very important factor. Customers transferring to other parts of the city may take time to make a purchase, but in order to do so they would prefer not to get off the car any considerable distance from their transfer point.

Nature of the Surroundings

The number of people traveling upon one side of the street may be influenced by the general condition of the surroundings. If one side has a number of old, tumble-down structures, empty buildings, billboards, or other unattractive features, people will undoubtedly take the other side of the street if it appears more attractive. A natural tendency is to avoid smoke, noise, bad odors, or dust, and if one side of the street is more pleasant in any of these particulars than the other, it will be preferred by pedestrians. The stores that have already located in good places draw larger and larger crowds. Consequently, places near old, successful stores may be of great value. Most merchants object to having a vacant storeroom adjoining them, as it gives the appearance that business is not flourishing in that neighborhood. The past record of a building for stores sometimes influences its value for a going concern.

Some stores go well in groups. One reason for this grouping is the convenience of the customer, as it affords opportunity for the purchasing of a number of different kinds of articles in one vicinity. Another advantage of locating competing stores close together is the possibility of drawing trade from customers who had planned to go directly to a competitor. The stores thus established are not always competing stores. Very frequently they arrange themselves into complementary groups co-operating with each other in the attraction of custom and in the making of sales. Stores dealing in men's goods are often found on one side of the street, while stores dealing in women's goods are found on the other.

Analysis of the Traffic

"The most essential element of a good store location is the opportunity it offers to sell goods where people naturally come to trade, either because of convenience or because of habit." This factor is recognized by the majority of merchants, and its comparative effect is usually determined by an actual count of the passers-by. Other things being equal, the location passed by the greatest number of people is the most valuable for retail store purposes. But other things are not equal, and for this reason some analysis of the passing traffic with regard to the types of goods purveyed is essential. The actual volume of traffic may be analyzed by the hours of the day.[1] Large crowds of working people hurrying to and from factories at times of opening and closing are not good customers for some types of goods. The hours at which traffic is heaviest are important as indicating the purpose on which it is bent. On certain days of the week the traffic is heavier than on others, notably, of course, on Saturday. Again the passers-by may be classified according to sex, women being more important to department stores and men to cigar stores. But probably still more important is the classification of traffic as shoppers, commuters, laborers, amusement crowds, etc. The number of people who come out to shop and to buy is the real factor of importance in the total that pass a location. The count of traffic may be of particular usefulness in making a choice between two sites, when the passers-by are known to be of the same general type. Such a count should, however, be made under similar conditions, that is, as to hours of the day and the day of the week. Much of the value of the corner location is derived from the increased number of passers-by. Such a location is accessible to the traffic of two streets. The same reasoning located the country general merchandise store at the crossroad. Another valuable feature of the corner store is the increase in window space, with a consequent appreciation in value as an advertising medium.

[1] See Section on Vehicular Traffic Congestion and Retail Business.

(Continued on Page 14)

TOBACCO STOCKS APRIL 1, 1932

STOCKS of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,373,761,000 pounds on April 1, 1932, compared with 2,150,778,000 pounds on April 1, 1931, according to a report released today by the Tobacco Section, Bureau of Agricultural Economics, U. S. Department of Agriculture. Total stocks show an increase of 360,981,000 pounds during the first quarter of 1932, compared with an increase of 297,302,000 pounds during the first quarter of 1931.

Stocks of flue-cured tobacco on hand April 1, 1932, were 845,642,000 pounds, compared with 831,347,000 pounds on April 1, 1931. Flue-cured stocks were 14,295,000 pounds higher than they were a year ago on April 1. They decreased 47,456,000 pounds during the first quarter of 1932, whereas the decrease during the same period of 1931 amounted to only 37,636,000 pounds. Stocks of Type 11 were slightly higher on April 1 than they were a year ago, and stocks of Types 12, 13 and 14 were lower. The detailed report by groups of grades shows about the same proportion of tobacco in all groups of the flue-cured types as on January 1, 1932, with the exception of the A group of Type 12.

Stocks of fire-cured tobacco reported as 201,424,000 pounds on April 1, 1932, were about fifty-six million pounds higher than on January 1, 1932, and about the same as stocks a year ago on April 1st. Virginia Fire-cured, Type 21, reported as 40,711,000 pounds shows an increase of a little more than ten million pounds over January 1st stocks and about two million pounds higher than on April 1, 1931. Kentucky and Tennessee Fire-cured, Types 22 and 23, combined show a total of 155,479,000 pounds compared with 111,856,000 pounds on January 1st and 154,404,000 pounds on April 1, 1931. The report by groups of grades shows about the same proportion of tobacco in the various groups of all types of fire-cured tobacco as on January 1, 1932.

Burley stocks were about 135 million pounds higher on April 1st, than they were a year ago. The April 1, 1932, report shows 702,834,000 pounds on hand compared with 568,010,000 pounds on hand April 1, 1931. During the first quarter of 1932 Burley stocks increased 212,220,000 pounds compared with an increase of 160,453,000 pounds during the same period of 1931. This increase may be accounted for by increased production in 1931 and by an apparent decline in the rate of consumption. More than half of the Burley stocks are reported in the B group.

Maryland tobacco stocks were about one million pounds higher on April 1, 1932, than they were on April 1, 1931, and about five million pounds lower than on January 1st. The detailed report by groups of grades shows a decrease in stocks in the B group of grades of nearly three million pounds. This group includes the inferior quality Dull Crop tobacco which normally is exported.

One-sucker stocks on April 1, 1932, are reported as 49,024,000 pounds, compared with 48,357,000 pounds on April 1, 1931, and 31,680,000 pounds on January 1, 1932. Green River stocks reported as 38,957,000 pounds on April 1st, are considerably higher than a year ago. Virginia Sun-cured stocks amounted to 4,635,000 pounds on April 1, 1932, about 64,000 pounds less than a year ago.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

RETAIL STORE PROBLEMS

(*Continued from Page 12*)

Store Building and Construction

One difference between a good and a poor location is the fact that in a poor location the limit of the market is more easily reached and therefore it does not adapt itself to an intensive use. One of the first steps in putting a good location to intensive use is the erection of a suitable building. Owing to the fact, however, that most of our retail districts are already built up, such new construction is not always possible. It then remains for the merchant to see whether the prospective building is adaptable to an intensive use or whether there are detrimental features incompatible with continued productive business.

The frontage of the building adds to its value in giving width to the store and available space for window display, both of which facilitate the advertising of merchandise to the passing public. The exterior design of the windows and entrance are important. Store fronts are subject to change of custom and therefore the structure of a well-planned building is generally such as to permit easy and economical changes in this respect. There is room for much study as to the proper position of entrances into a building, especially when the building is on a corner or occupies a whole block.

Interior features of importance are discussed in the section on Retail Store Planning included in this series.

In addition to the usual investigation concerning the materials used in the particular store building, the construction of the building in its relation to fire risks, the convenience of installations, etc., the merchant wants information relative to the availability of nearby lands and buildings sufficient to meet the probable future needs of a growing business.

The cost of the building, initial outlay of capital, and the various carrying charges, such as taxes, water assessments, repairs, water damage, etc., are necessarily considered in conjunction with the relative advantages of the prospective location.

If the building is rented, there is always the question as to whether a building with a cheaper rental price would not yield more profit. In this connection it is well to remember that profits may be made either by adding large margins to the costs or by turning the stock often on narrower margins. It is the possibility of making few sales at a large profit or many sales at a minimum profit that gives a store site a high value.

Reports received also include the following points of inquiry, the answers to which all have some bearing on the retailer's location problem: Is the police patrol satisfactory? Is the building exposed to fire hazards, either internal or external? What protection is there against hazards, and what are the size and equipment of the fire force?

Relation to Consumers' Buying Habits

It is a well-recognized principle in marketing methods that all sound merchandising policies should start with a consideration of the consumer. The question of a location for a retail store is, therefore, studied in its relation to consumers' buying habits.

Dr. Melvin T. Copeland states in a recent article [2] that from the standpoint of consumers' buying habits, merchandise sold in retail stores can be divided roughly into three classes: (1) Convenience goods, (2) shopping goods, (3) specialty goods.

[2] Harvard Business Review, vol. 1, pp. 282-289.

Convenience goods are defined as those customarily purchased at easily accessible stores. The consumer is familiar with these articles: and as soon as he recognizes the want, the demand is clearly defined in his mind. Usually these goods are of small unit price and are purchased frequently. The small unit price does not warrant the payment of a street-car fare to make a special trip for the articles, nor does the purchaser feel justified in going far out of his way to obtain the goods. It is for such reasons that stores carrying these articles should be located at points easily accessible to the customer. The neighborhood store or the corner cigar store are applications of such principles in location. The effect of the inaccessibility of such a store may, however, be offset to a certain degree by delivery, provided it is prompt and efficient and does not increase the price of the goods sold.

Shopping goods are defined as those for which the consumer desires to compare prices, quality, and style at the time of purchase. The exact nature of the merchandise wanted may not be clearly defined in advance in the mind of the shopper, nor does the want usually need immediate satisfaction. Ordinarily the shopper makes a special trip for the desired articles and wants to make comparisons in several stores.

Hence it can be seen that, in general, the shopping store should be centrally located in the retail district. Furthermore, a grouping of shopping stores in a certain area often serves to facilitate the desire on the part of the shopper to make comparisons. This is a partial explanation of the assembling of women's stores on one side of the street. Another reason for the central location is that these stores must carry a large stock of merchandise and make only comparatively infrequent sales to one shopper. Therefore they must be so situated that they can draw trade from a wide area.

A good location in the shopping district generally carries with it a high rental. A large volume of sales must therefore be maintained to cover operating expenses. For this reason the store carrying convenience goods would hardly desire an establishment in this locality. Furthermore, delivery from this section of the city would probably be more expensive because of the greater distance and might cause some inconvenience to the customer on account of a longer delivery interval.

Specialty goods are those which have some particular attraction for the consumer, other than price, which induces him to put forth special effort to visit the store in which they are sold and to make the purchase without shopping. In purchasing specialty goods, the consumer determines in advance the nature of the goods to be bought and the store in which the purchase is to be made, provided a satisfactory selection of merchandise can be effected in that store.

As in the case of shopping goods, purchases of specialty goods are made at infrequent intervals, but, in contrast to them, the exact nature of the desired merchandise or the store preference is well determined in the mind of the customer. Since such a business depends upon the infrequent purchaser, obviously it is best that the specialty store be located so that it can attract trade from a wide area. It is not essential, however, for it to be in the high-rent shopping area. Consequently these stores frequently locate on the better side streets.

It is realized that one store may carry all of these classes of goods, but usually one class predominates and is chiefly considered in choosing the location.

(*Continued on Page 16*)

ALL CLASSES TOBACCO PRODUCTS DOWN

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of Internal Revenue collections for the month of April 1932, and are issued by the Bureau. (Figures for April, 1932, are subject to revision until published in the annual report):

Products	*April*	
Cigars (large):	*1931*	*1932*
Class A.....No.	297,712,280	269,773,000
Class B.....No.	28,730,580	4,335,377
Class C.....No.	124,207,224	71,305,276
Class D.....No.	8,462,403	4,453,721
Class E.....No.	869,413	85,787
Total	459,981,900	349,953,161
Cigars (small) .....No.	27,157,453	24,632,560
Cigarettes (large) ..No.	612,779	321,610
Cigarettes (small) ..No.	9,470,621,253	7,562,290,327
Snuff, manufact'd ...lbs.	3,399,241	2,947,831
Tobacco, manufactured..	27,381,757	24,813,725

NOTE: The above statement does not include tax-paid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of April:

Products	*April*	
Cigars (large):	*1931*	*1932*
Class A.....No.	10,819,225	6,545,100
Class B.....No.	163,700	1,000
Class C.....No.	655,850	138,500
Class D.....No.	6,000	1,000
Class E.....No.	500	.....
Total	11,645,275	6,685,600
Cigars (small) .....No.	500,000	500,000
Cigarettes (large) ..No.	100,000	51,000
Cigarettes (small) ..No.	1,000,000	252,500

Tax-paid products from the Philippine Islands for the month of April:

Products	*April*	
Cigars (large):	*1931*	*1932*
Class A.....No.	10,568,525	13,334,950
Class B.....No.	94,810	28,950
Class C.....No.	20,902	13,080
Class D.....No.	110	60
Class E.....No.	100	140
Total	10,684,447	13,377,180
Cigarettes (small) ..No.	97,040	104,870
Tobacco, manufact'd.lbs.	86	56

NOTE: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the months.

Internal Revenue Collections

Objects of Taxation	*First ten months Fiscal Year* *1931*	*1932*
Tobacco manufactures:		
Cigars	$15,208,078.61	$12,263,880.75
Cigarettes	293,084,252.26	259,821,913.70
Snuff	5,988,565.59	5,788,870.32
Tobacco, chewing and smoking	48,451,600.69	48,558,267.63

"BEST OF THE BEST"

OPTIMO CIGARS
VERY MILD
VERY MILD

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

WALGREEN APRIL SALES

Walgreen Company reports for April sales of $3,896,774, as compared with $4,664,679 in April of last year. Sales for the first four months of 1932 totaled $15,954,187 as compared with $17,762,287 in the corresponding period of 1931.

SCHULCO COMPANY EARNINGS

Schulco Company, Incorporated, real estate subsidiary of the Schulte Retail Stores Company, reports for the quarter ended March 31, net income of $71,069, as compared with $46,102 in the first quarter of 1931.

News from Congress

(Continued from page 8)

"If the purpose of the proponents of this act is to secure lower tariffs on the 35 per cent. of our imports which are not on the free list," he asserted, "it would seem that the direct and simple method of so doing would be to recognize that tariffs are duties applied to particular commodities, and to propose definite reduction of the duties on such particular commodities as are believed to be at fault and upon which the full facts can be developed.

"As a matter of fact," he continued, "there has never been a time in the history of the United States when tariff protection was more essential to the welfare of the American people than at present. Prices have declined throughout the world, but to a far greater extent in other countries than in the United States. If the intent or the effect of the proposed bill is to remove the possibility of executive action or to reduce tariff protection, there was never a time more inappropriate on account of widespread domestic unemployment and the possibilities which lie before us."

Inconsistencies in the bill were pointed out by the President, who referred to the fact that in one section he is called upon to initiate international conferences to eliminate excessive and "discriminatory" tariffs, and in another section is authorized to negotiate with foreign governments "reciprocal trade agreements under a policy of mutual tariff concessions," which of themselves would be discriminatory against all countries not parties to such agreements.

The policy of the Government over a long period of years has been that tariff is purely a domestic issue and that tariff rates should apply uniformly and equally to all nations, the President declared. The preferential tariff agreements which Congress provided for in the bill are the cause abroad, he said, of trade wars and international entanglements.

The calling of an international conference for the lowering of tariff rates, he asserted, would be tantamount to inviting foreign countries to write our tariff law.

GENERAL ELECTRIC ENTERS AIR CONDITIONING FIELD

The organization of an Air Conditioning Department within the General Electric Company, which will market various electrical devices for home heating, humidifying and temperature control, has been announced by President Gerard Swope. One of the first products to be marketed by this new department will be a complete oil burning furnace.

J. J. Donovan, of Cleveland, formerly in charge of apartment house refrigeration sales, will be manager. Associated with him will be E. D. Harrington, of Schenectady, in charge of application engineering; J. R. Rue, of Pittsfield, in charge of manufacturing, and H. S. Woodruff, of Schenectady, in charge of design engineering. Headquarters will be maintained at General Electric's New York offices, 120 Broadway.

ROTHSCHILD ELECTED BAYUK DIRECTOR

At the annual meeting of the stockholders of Bayuk Cigars, Incorporated, Harry S. Rothschild, recently elected president of Bayuk Cigars, Incorporated, was elected to the board of directors, succeeding Jerome L. Rothschild.

CIGARETTE'S ORIGIN SHROUDED IN MYSTERY

WHERE, when and how did the cigarette originate? Apparently authorities cannot agree on any of these points although all their accounts show that the cigarette reached for today which is made by modern manufacturing methods such as the toasting process including the use of ultra-violet rays has advanced a long way from the crude old-fashioned product. One account contained in recent press dispatches from Paris has it that the cigarette is having its centenary this year. This authority claims the cigarette originated at the siege of Acre, in Syria, in 1832, when the besieging artillerymen's pipes were smashed by cannon balls, and tobacco was substituted for gunpowder in the little tubes of India paper used to prime the pieces. Another authority in a recent book, entitled "A History of Smoking," says that according to reports by missionaries and travelers cigarettes were known to South America in the middle of the eighteenth century, particularly in Brazil, where they were called "papelitos." A third historian in his book, "The Story of the Cigarette," maintains that the cigarette is American by origin rather than by adoption, asserting that the Indians who startled Columbus and his men by blowing smoke from their mouths and nostrils really were smoking cigarettes—tobacco wrapped in the leaves of Indian corn.

RETAIL STORE PROBLEMS

(Continued from page 14)

Conclusion.

The loss to society of the wasted effort and capital of the many men who fail in the retail business is a real economic problem which justifies research for preventive measures. Securing the proper location for the store is one measure that will undoubtedly obviate many of the casualties. Store location is now being studied with notable success by practical retail concerns. The chain stores are said to have led in this respect, and their achievements tend to show the practicability of applying recognized factors in store location to actual business endeavor.

As suggested at the beginning of this study, no attempt has been made here to establish any set formula or method of procedure whereby all problems of location can be solved. However, it might be helpful to summarize the most authoritative opinions available on the subject, by restating that in retail store location there are two types of problems to be considered, the first one relating to a choice of the city, and the second to the particular site within the city. Of first importance in the choice of a city is the question as to whether the market will offer a sufficient sales volume to meet the requirements of profitable store operation with a profit, and whether there is a real economic need for the store.

The logical site is that one which offers the best opportunity to sell goods where people naturally come to trade, either because of convenience or because of habit. If the best site is not obtainable or carries an exorbitantly high rental, and therefore an inferior site is chosen, success depends largely upon due recognition of the economic disadvantages resulting from the location and the cost of special attractions necessary to overcome them.

(To be continued)

TEN MONTHS WITHDRAWALS FOR CONSUMPTION

	First ten Mos. Fiscal Yr. 1932		*—Decrease +Increase Quantity*
Cigars:			
Class A—U. S. . .	3,012,086,880	+	63,433,950
P. R. . .	75,971,125	—	49,721,030
P. I. . .	145,186,035	+	18,539,480
Total	3,233,244,040	+	32,252,400
Class B—U. S. . .	60,474,977	—	233,699,359
P. R. . .	816,750	—	1,744,700
P. I. . .	1,016,119	—	239,512
Total	62,307,846	—	235,683,571
Class C—U. S. . .	961,746,848	—	389,352,806
P. R. . .	4,202,144	—	3,459,586
P. I. . .	384,482	—	503,010
Total	966,333,474	—	393,315,402
Class D—U. S. . .	59,958,332	—	30,564,384
P. R. . .	19,200	—	11,000
P. I. . .	5,342	—	4,088
Total	59,982,874	—	30,579,472
Class E—U. S. . .	9,567,244	—	7,817,432
P. R. . .	500	—	3,100
P. I. . .	14,552	—	55,029
Total	9,582,296	—	7,875,561
Total All Classes:			
U. S. . .	4,103,834,281	—	598,000,031
P. R. . .	81,009,719	—	54,939,416
P. I. . .	146,606,530	+	17,737,841
Grand Total . .	4,331,450,530	—	635,201,606
Little Cigars:			
U. S. . .	251,304,480	—	39,039,799
P. R. . .	4,000,000	—	1,050,000
P. I. . .	.....		.....
Total	255,304,480	—	40,089,799
Cigarettes:			
U. S. . .	86,668,505,922	—	11,008,023,426
P. R. . .	5,914,700	—	11,256,300
P. I. . .	1,481,500	—	412,903
Total	86,675,902,122	—	11,019,692,629
Large Cigarettes:			
U. S. . .	3,784,805	—	1,625,088
P. R. . .	750,500	—	1,149,500
P. I. . .	200	—	5,600
Total	4,535,505	—	2,780,188
Snuff (lbs.):			
All U. S.	32,160,389	—	1,109,421
Tobacco (Mfd.):			
U. S. (lbs.)	269,928,903	+	793,286
P. I. (lbs.)	901	—	483
Total	269,929,804	—	792,803

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

FRANCE APPROVES U. S. SALES METHODS

SALES-TESTED methods used by a leading American cigarette manufacturer win the approval of French smokers when applied by the Regie, French Government monopoly of tobacco, just as they please smokers in this country. In commenting on the methods used by the Regie, the *New York Times* says:

"Though Americans may not like the flavor of the cigarettes in their little red, yellow and blue packages, they must admire its method of dispensing them. If anyone finds that a package of French cigarettes purchased at his tobacconist's is badly sealed, stained by moisture, or torn, he may send it immediately to M. Blondeau, Director General of State Manufactures, at the Ministry of Finance, Rue de Rivoli, with an explanatory letter. M. Blondeau will register the complaint, order an investigation at the factory and at the shop from which the cigarettes came, and, as a graceful gesture of apology, send his dissatisfied customer two packages in perfect condition." Although the tobacco industry in this country is carried on by competing companies and not by a monopoly, in some respects their sales methods are similar. On every package of "Lucky Strike" cigarettes, for example, appears a guarantee that "if this package for any reason is unsatisfactory you can get your money back from the dealer." Under private enterprise in this country improvements have been made not only in sales but also in manufacturing methods such as the toasting process including the use of ultra violet rays which have made American cigarettes famous the world over for their flavor and mellow mildness.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an aoditional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

JOHN FITCH:—46,038. For cigars. April 12, 1932. V. B. Cigar Co., Fitchburg, Mass.

TRANSFERS

K-5:—40,258 (T. M. A.). For cigars, cigarettes, cheroots, stogies and tobacco. Registered May 18, 1917, by The Aipat Cigar Co. Transferred by Andres Tapia, proprietor, to the K-5 Cigar Company, Tampa, Fla., April 15, 1931.

TEDELLO:—21,936 (Tobacco World). For cigars, cigarettes and cheroots. Registered March 15, 1911, by Jos. W. Levy & Co., Philadelphia, Pa. Through mesne transfers acquired by Louis King Cigar Co., Inc., Philadelphia, Pa., and re-transferred to Sam Pasquale, Philadelphia, Pa., May 11, 1932.

SUZELLA:—32,367 (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered December 10, 1906, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Through mesne transfers acquired by Ellis De Souza, Philadelphia, Pa., and re-transferred to Rudolph Gonzalez, Progress Cigar Co., Inc., Philadelphia, Pa., May 5, 1932.

LESS SMOKING, ETC., IN EUROPE

CONSUMPTION of tobacco products in fifteen countries suffered a 9.5 per cent. decline last year, and there are indications of a further decrease so far this year, according to J. B. Hutson, U. S. Department of Agriculture tobacco spesialist in Europe. The decrease is attributed chiefly to maintained or increased tobacco prices in most countries whereas prices of most other commodities have declined.

Mr. Hutson, of the Bureau of Agricultural Economics, says that the consumption of cigarettes in 1931 in the fifteen countries was about 7 per cent. less than in 1930; consumption of smoking mixtures declined about 9 per cent.; cigar consumption was down about 21 per cent.; consumption of snuff dropped 7.2 per cent., and the consumption of chewing tobacco fell off 12.5 per cent. The figures are based upon official reports on sales of tobacco products and sales of Government revenue stamps.

Consumption of tobacco products in Europe increased at an average rate of 3 per cent. a year from 1926 to 1929. In 1930 the consumption was approximately the same as in 1929. Increased unemployment and low purchasing power of consumers are cited as factors contributing to the decline in consumption since 1930. The effect of price upon consumption has been demonstrated in Germany where on October 1, 1931, prices were reduced almost to the level of 1930 prices. Since October 1st last, consumption has been well above that of immediately preceding months.

HEIR TO TOBACCO FORTUNE WEDS

Libby Holman, who traveled to Broadway from Cincinnati and sang her way to stage stardom, admitted in New York last Saturday that she had been married to Smith Reynolds, heir to the tobacco millions. The happy bride and groom were registered at the Ambassador Hotel.

3042 EMPLOYEES IN TURKEY SECURE "CHESTERFIELD" TOBACCO

IF THE Turks had raised tobacco a few centuries earlier the relationship between them and the Crusaders might have been one of peace instead of war. Tobacco today is the most valuable export of Turkey, about 90,000,000 pounds a year being produced there.

In current advertising Liggett & Myers stress the fact that it is worth going 4000 miles for even the small proportion of Turkish used to put the finishing touch of "better taste" in "Chesterfields." "Turkish tobacco is to cigarettes what seasoning is to food—the spice—the sauce. You want enough but not too much."

The rainfall in Turkey is about 60 per cent. of the average rainfall in the tobacco producing sections of the United States, and this, plus soil and other differences, makes Turkish tobacco a unique type. Contrary to the prevailing American custom, Turkish tobacco is picked leaf by leaf as it ripens. The work is done at dawn, after the dew has moistened the plants, so that the stems break sharply without injury to the leaf.

After grading as to quantity and size, each leaf is threaded on strings and the strings hung under a shelter to dry. After twenty days of drying the farmer takes them down, packs them in piles, and covers them with blankets to "cure" them. The long yellow strings of leaves are then packed into bundles by hand, and taken to market by pack mules, camels or ox carts.

Here the tobacco is inspected and bought at auction—and this buying calls for complete knowledge and quick sure judgments. Liggett & Myers employs twenty-six native buyers and, during certain seasons, 3000 native women. The company keeps sixteen resident Americans in year-round supervision; all of their tobacco remains in the original sections where purchased for one year or more for further curing before it is shipped to the United States.

Finally, perhaps two years after the seed was planted, the Turkish tobacco is lightered out to steamships and starts on its long journey to America. Turkish tobacco must pay an import duty of thirty-five cents a pound, but this is all part of the cost of making the kind of cigarettes that Americans want to smoke.

CANADA GROWS MUCH TOBACCO

Montreal, Quebec, May 21: Canada is the principal tobacco producing country in the British Empire and the annual crop has now reached such proportions, according to the agricultural department of the Canadian National Railways, that a large part of the domestic demand is supplied by the home-grown product and there is sufficient surplus to export several million pounds to the British Isles each year.

Last year the tobacco crop of Canada had a value of $7,177,540. The acreage sown to tobacco was 55,060 and the crop yielded 51,300,000 pounds. This is both the largest acreage and the largest crop in the history of the dominion. Ontario with a production of 44,770,000 pounds from 47,360 acres was the principal center of tobacco culture. Next in order came Quebec with 6,340,000 pounds from 7330 acres and then British Columbia which produced 190,000 pounds from 370 acres.

Tobacco growing in Canada has developed tremendously during the past ten years. In 1921 only 16,621 acres were sown to tobacco and the yield was 13,248,962 pounds. In ten years, therefore, the acreage has been practically tripled and the output almost quadrupled.

JULY 1, 1932

LIBRARY RECEIVED JUL 6 - 1932 U. S. Department of Agriculture

VOLUME 54 No. 13

THE TOBACCO WORLD

"Nothing Satisfies Like A Good Cigar"

WOODEN BOXES MAKE GOOD CIGARS BETTER

"I will not change my horse with any that treads * * *." Thus speaks "Dauphin" in "Henry V." And then there is an adage about changing horses in the middle of a stream.

If ever, the cigar industry is in the middle of a stream today. It is failing to maintain comparative averages in production despite the fact that an overwhelming precentage of sales is in the lowest priced bracket.

Wooden cigar boxes have been a mark of prestige for good cigars for generations. Can the cigar industry afford to "change horses" in this critical hour? The superior merits of a natural wood container remain unchanged. Why risk the good-will of your brands by using any other than the most favorable package for your product?

AUTOKRAFT BOX CORPORATION manufactures good wooden boxes to help make good cigars better. Its factories are equipped to produce any type of wooden container to meet any requirement. Its facilities comprehend a Nation-Wide service.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

Fashion Note
for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 **THE TOBACCO WORLD** Number 13

Established 1881
TOBACCO WORLD CORPORATION
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A. T. COMPANY'S STOCK PLAN UPHELD

JUDGE MANTON, Chief Justice of the Circuit Court of Appeals in New York, on June 13 approved the right of the American Tobacco Company to carry out its plan to sell employees of the company stock at the par value of $25 a share.

The decision was the outcome of a long legal battle begun by Richard R. Rogers shortly after the stockholders of the company had authorized the plan in July, 1930. He also endeavored to stop the payment of bonuses by the company, which had been effective since 1912. This action was also denied by Judge Manton when he rendered his decision in reference to the stock sale plan.

Unless the plaintiff appeals to a higher court, Judge Manton's decision will be final.

WHOLESALE CIGARETTE PRICES

The Chicago Journal of Commerce in a recent article states that while the tobacco stocks have finally wriggled out from under the excessive liquidation that bore down on them a week and more ago, they have not yet definitely disposed of the apprehension that surrounds the present price schedule on the popular cigarette brands. Recent dispatches have been calling attention to the retail concessions that are again being made on the four leading brands packed in tins. This movement has been on in Chicago in a limited way for some time, and its spread appears to indicate the definite abandonment of the retail price firmness that was instituted in the East two weeks ago.

According to some interests there is a possibility that the tobacco companies will combat the lowered consumption of the fifteen-cent packages by producing a cheaper line of cigarettes to care for the purchasers who are currently shying away from the regular brands, even when they are offered at a concession.

In line with this probability it is interesting to note that a Liggett & Myers subsidiary has brought out a "Sunshine" brand, which will retail for ninety cents a carton, representing a reduction under the existing carton price on Phillip Morris' Paul Jones brand, which has attained a wide sale. Also, the Axton-Fisher Company is now in production on a ten-cent package brand called "Twenty Grand."

YORK COUNTY PRODUCTION BOOMING

In a statement issued by Deputy Collector of Internal Revenue Elmer Anstine, Mr. Anstine states that the York County cigar industry is on the eve of a business boom. Records for the month of June will show the largest sale of cigar stamps in York County in two years. He states that factories which have been closed since the beginning of the depression are being reopened and other plants which have been on short time are operating in full.

FRANK C. NILES DEAD

FRANK C. NILES, president of Niles & Moser Cigar Company, Kansas City, one of the largest distributors of cigars in the United States, died on Monday at St. John's Hospital, Springfield, Ill., after an illness of several weeks which had prevented his attendance as a Missouri delegate-at-large at the Democratic National Convention. He was seventy-three years old.

Mr. Niles was born near Waymart, Pa., and moved at an early age to Kansas City, where he established his cigar company. He was owner of the Blue Ridge Stable and was visiting his trainer at Springfield, where his horses were training over the Illinois State Fair track, when he became ill. Mr. Niles had a summer home at Great Barrington, Mass., and had raced his horses in the Bay State Grand Circuit.

KING CIGAR COMPANY REORGANIZED

Incorporation papers were filed last week in Hartford, Conn., by the Louis King Cigar Company, of Hartford. James W. Knox, president of the First National Bank of Hartford; Clarence W. Knox, who has been acting as receiver for the company, and Robert V. Treat, of South Manchester, Conn., were named in the papers as incorporators.

The assets of the Louis King Cigar Company were recently bought at auction by the First National Bank of Hartford for $12,000, there being only one other bidder. The authorized capital of the new company is 500 shares of $100 preferred stock and 1000 shares of no-par common stock. The sale included 176,750 cigars and all property of the company except the stock of leaf tobacco and machinery.

The sale included the right to the use of the brand name "King Perfecto" and also the right to continue the use of the firm name "Louis King Cigar Company." The company has been operating a factory at 725 Walnut Street, Philadelphia.

VINCENT PLANCO DEAD

Vincent Planco, former president of Ruy Suarez & Company, Tampa manufacturers of the "Planco" cigar, passed away in Germany on June 11. He had been in ill health for a long time and had recently gone to Germany for special medical treatments, but to which he failed to respond.

Mr. Planco, in partnership with his brother, manufactured the "Planco" cigar for a number of years, but following the death of his brother some time ago he transferred the brand to Gradiaz, Amis & Company, also of Tampa, while he continued in charge of marketing and distribution.

Mr. Planco saw considerable war service in Cuba, China, and also in the more recent World War, and received the rank of captain in 1918.

PHILADELPHIA.

HARRY CATLIN JOINS BAYUK CIGARS

HARRY CATLIN, well known throughout the cigar industry as former sales manager for the Porto Rican American Tobacco Company, and recently assistant sales manager for the Consolidated Cigar Corporation, has resigned from the latter company and will become associated with Bayuk Cigars, Incorporated, on July 1, in an important sales executive capacity.

Mr. Catlin has been intimately associated with the cigar manufacturing industry for a number of years and has a wide knowledge of the problems confronting the cigar manufacturer of today.

His association with the house of Bayuk, which bears a high reputation throughout the country, speaks well for the continued success of Bayuk brands, which have recently come under the able direction of Harry S. Rothschild, as president of the company.

PHILIP LUBER INJURED

Philip Luber, well-known cigarist of 2623 Germantown Avenue, was injured on Sunday when a tire blew out on his car near Easton, causing the car to leave the road and crash into a tree.

Others with Mr. Luber who suffered injuries were Isadore Finkelman, of 511 South Sixty-third Street, who is in an Easton hospital with a fractured skull; his mother-in-law, Mrs. Dora Lubarsky, who is in the same hospital with a deep cut of the forehead and internal injuries; Mr. Luber's son, Bernard J., and Mr. Finkelman's son, Bernard.

Just as we are going to press we learn that Isadore Finkelman passed away in the Easton Hospital as a result of the above accident. He was a member of the firm of Finkelman & Hollander, sporting goods and cigar dealers at 326 Market Street, and was active in the affairs of the West Philadelphia Jewish Community Center and the Brith Achim. He is survived by his widow, one daughter, and one son.

Funeral services were held on Tuesday from his late residence, 311 South Sixty-third Street, with interment in Har Judah Cemetery. He was forty years old.

James Heaney, of the American Cigar Company, arrived in town on Tuesday and is promoting the distribution and sale of the "Antonio y Cleopatra" brand, which is enjoying a splendid demand through their local distributors, Yahn & McDonnell Cigars, 617 Chestnut Street.

GEORGE ZIFFERBLATT GOLF CHAMP

GEORGE ZIFFERBLATT, head of George Zifferblatt & Company, manufacturers of the "Habanello" cigar, proved his ability among the golf fraternity at the recent *U. S. Tobacco Journal* golf tournament last week by coming home with the first prize, a solid silver loving cup.

Mr. Zifferblatt, however, does not allow his golf to interfere with his business of increasing the distribution and sale of "Habanellos," so he left this week on a trip to Buffalo, where he will meet Gus Lauber, factory representative, and also visit his Buffalo distributors, Tinkham Brothers. Mr. Zifferblatt's next stop will be in Pittsburgh, where he will meet Mr. McGinness, and also call on his Pittsburgh distributors, the Bock-Stauffer Company, and thence to Cleveland, contacting another "Habanello" distributor.

Jack Murphy, of the "Habanello" force, is working under the direction of Amedee Levie, Western factory representative, and is now devoting his time with the Peter Hauptmann Tobacco Company in St. Louis.

NEW CIGAR FIRM ORGANIZED

A new cigar firm, known as the Progress Cigar Company has been organized in Philadelphia by Rudolph Gonzales, Fred Weinstein and Harry Shore, formerly of the Congress Cigar Company, and Edward Karr.

The company is operating at Twelfth and Callowhill Streets, where they are manufacturing the "Suzella" cigar in seven sizes. The "Suzella" is a strictly hand-made brand with a full Havana filler.

Father's Day turned out to be the usual "flop" as far as the cigar and tobacco industry were concerned this year, very few dealers making any effort to cash in on this splendid opportunity for increased business by stressing gifts of cigars and tobacco products, or smoking accessories for father on this occasion. Present-day conditions are not conducive to much effort along this line, but we believe results could have been obtained if the proper effort had been put forth.

Mr. John Wagner, of John Wagner & Sons, local distributors, returned last week from a few days' fishing excursion, where the fish are plentiful, and Mr. Joe Wagner, of the same firm, is expecting to leave the latter part of this week for a similar trip.

DO YOU INHALE?

. . . wonder why cigarette advertising generally avoids this question?

ONE of the mysteries in cigarette advertising has been the apparent fear of the word "inhale". It seems rather foolish—for *everybody* inhales—whether they realize it or not . . . every smoker breathes in some part of the smoke he or she draws out of a cigarette.

Think, then, how important it is to be certain that your cigarette smoke is pure and clean—to be sure that you *don't* inhale certain impurities.

Do you inhale? Lucky Strike *has dared* to raise this vital question . . . because when you smoke Luckies your delicate membranes get the protection no other cigarette affords. All other methods have been made old-fashioned by Luckies' famous purifying process. Luckies created that process. Only Luckies have it!

Do you inhale? Of course you do! So truly this message is for you.

"It's toasted"

Your Protection against irritation—against cough

Copr., 1932, The American Tobacco Co.

O. K. AMERICA

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike features, every Tuesday, Thursday and Saturday evening over N. B. C. networks.

EASTERN JOBBERS MAY JOIN WESTERN GROUP

AT THE meeting of tobacco jobbers held in New York City on June 11 at the invitation of Joseph Kolodny, of the Jersey City Tobacco Company, to discuss ways and means of improving conditions among the jobbing fraternity, approximately fifty promiment jobbing firms in the eastern part of the country were represented.

The meeting lasted through the afternoon and was devoted entirely to an informal discussion of jobbers' problems. No definite policies were decided on, but it was the consensus that a national organization should be formed. A vote was taken and practically all jobbers present voted in favor of joining with the Middle Western group in founding a national association. A few jobbers withheld their approval until they learn what the exact policies of the organization will be.

A committee, consisting of representatives of the Middle Western and Eastern divisions, was appointed by the chairman to pass upon the constitution and by-laws proposed by the Middle Western group at its meeting in Indianapolis on May 21.

This committee consisted of C. A. Just, Peter Hauptman Tobacco Company; Harry Kirtz, Amster-Kirtz, Incorporated; J. Renz Edwards, F. S. Edwards Tobacco Company; Sidney Grossman, Linker Cigar Company; W. S. Schwartz, Ohio Tobacco Jobbers' Association; Jonathan Vipond, Scranton Tobacco Company; George Frings, Frings Brothers Company; Nelson Eberbach, A. B. Cunningham Company; H. J. Lagonegra, Elmira Tobacco Company; Barney Goldberg, Capitol Tobacco Company; Max Jacobowitz, Hudson County Tobacco Company; Hyman Goldman, Standard Cigar & Tobacco Company; John Laughran, D. Laughran & Company; Irven Moss, Hudson County Tobacco Company.

This latter committee met Saturday evening and approved, with a few minor exceptions, the constitution and by-laws adopted tentatively by the middle western group. The name, "National Association of Tobacco Distributors," was also approved. The matter of dues was left for decision at next meeting, which will be held at Cleveland Athletic Club, Cleveland, Ohio, on June 25. All jobbers who attended the Indianapolis and New York meetings are invited to Cleveland, and in addition numerous others who were unable to be present at either of these meetings but who have expressed themselves as favoring the idea of organization will also be asked to attend.

At the coming Cleveland meeting the permanent set of officers and an executive committee will be elected, and constitution and by-laws will be formally approved after some slight revisions; the matter of dues will be decided (also whether a paid executive secretary should be employed), and the necessary committees will be appointed to proceed with the work projected by the association.

Those present at the Saturday afternoon conference were:

Max Packer, Packer Bros., New York; James Martin, James Martin, Inc., Peekskill, N. Y.; I. Rosenblatt, N. Tarrytown, N. Y.; Harry Rice, N. Rice Cigar Co., Pittsburgh, Pa.; N. Leventhal, Central Tobacco & Candy Co., Trenton, N. J.; W. H. Taylor, A. McCue, Inc., Paterson, N. J.; Fred Ackel, Foster & Gregory, Gloversville, N. Y.; Hyman Goldman, Standard Cigar & Tobacco Co., Washington, D. C.; George Frings, Frings Bros. Co., Philadelphia, Pa.; Harry Kirtz,

(Continued on Page 17)

Trade Notes

Mr. Place, of the O-Nic-O factory, New York City, was among the out-of-town visitors here this week.

F. W. Sommerfeld, of the F. W. Sommerfeld Cigar Company, was a visitor at John Wagner & Sons headquarters last week. The Wagner house is local distributor for the Sommerfeld brands.

Paul Brogan, vice-president of Yahn & McDonnell Cigars, has been appointed received for E. Cohen & Son, wholesale tobacconists, of 512 South Second Street, with bond at $10,000.

George Stocking, representing Arango y Arango, Tampa manufacturers of the "Don Sebastian" brand, was in town on Tuesday visiting the local distributor of their brand, John Wagner & Sons. The "Don Sebastian" brand enjoys a splendid demand in Philadelphia.

Grabosky Brothers, North Second Street manufacturers of the "Royalist" cigar, are running their factory steadily, with a good volume of orders coming in regularly. The new ten-cent blunt size is proving a popular addition to the line, and sales are gaining.

Ben Lumley, representing the F. W. Sommerfeld Cigar Company, Miami, Fla., manufacturers of the "Dulce" and "Verdi" cigars, has just returned from a trip through his Baltimore and Washington territory and reports a most successful trip. The "Dulce" and "Verdi" brands are enjoying a splendid demand in that territory.

Frank Swick, of Simpson, Studwell & Swick, New York City, manufacturers of the "Chukkers" brand of cigarettes, was in town this week visiting John Wagner & Sons, local distributor of the brand. The "Chukkers" brand is a comparatively newcomer in this market and is enjoying a wonderful sale among the high-grade cigarettes here.

Barton Lemlein and Joe Banker, of M. Sachs & Company, New York City, manufacturers of the private brand "Wagner," for John Wagner & Sons, were in town last week. The "Wagner" brand has a steady call among the high-grade club and hotel stands here and has recently been augmented by a new ten-cent size which is proving popular.

John Wagner & Sons have received a letter from J. L. McGuerty, "Romeo y Julieta" representative for the United States, that the "Romeo y Julieta" factory in Cuba has resumed operations, following a shutdown of several months on account of a strike of the factory workers. They have also been advised that the "Partagas" and "Belinda" factories in Cuba have also resumed operations, thus assuring an ample supply of these brands for the future.

NEVER PARCHED OR TOASTED

Switch to Camels

then leave them—if you can

IF YOU want to know the difference between a truly fresh cigarette and one that is parched or toasted, light a Camel.

As you draw in that cool, fragrant smoke notice how smooth and friendly it is to your throat. Not a hint of sting or bite. Not a trace of burn.

That is because Camels are blended from choice Turkish and mild, sun-ripened Domestic tobaccos, and are made with just the right amount of natural moisture and kept that way until delivered to the smoker by the Camel Humidor Pack.

Camels are never parched or toasted.

That's why Camels bring you so much unalloyed enjoyment. That's why they are so much milder; why they leave no cigaretty after-taste.

If you haven't tried Camels lately, get a package today and see for yourself what you are missing.

Switch over to Camels. Then leave them —if you can.

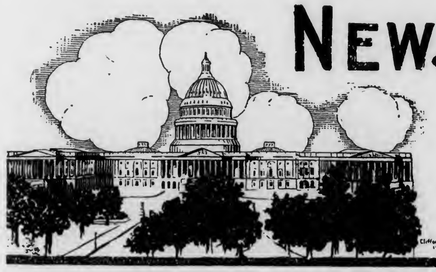
R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

CAMELS

Made FRESH—*Kept* FRESH

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

INCLUSION in both Republican and Democratic platforms of a plank calling for the maintenance and vigorous enforcement of existing antitrust laws was strongly urged by economists in thirty-four educational institutionals in twenty States in letters sent to the resolutions committees of the two parties just prior to the national conventions.

Rejecting the claim that the antitrust laws are the cause of wasteful overproduction, the economists pointed to the monopolistic control of commodity prices which fostered speculation in the security markets and called upon the framers of the party platforms to reaffirm the principle of competition in all lines of business in which there is not effective price control by publicly appointed commissions.

"The weakening of the Sherman Antitrust Act would involve consequences of a radical nature, inconsistent with the very principles of private industry," it was asserted. "The widening and extension of the realm of public price-fixing in industry and commerce resulting from such action must impose an impossible burden upon governmental agencies of control and irreparable injury to the political and social, as well as economic, interests of the whole people.

"The most competent economic opinion, as well in Europe as in this country," it was declared, "can be cited in support of the view that a strong contributing cause of the unparalleled severity of the present depression was the greatly increased extent of monopolistic control of commodity prices which stimulated financial speculation in the security markets. There is growing doubt whether the capitalistic system, whose basic assumption is free markets and a free price system, can continue to work with an ever-widening range of prices fixed or manipulated by monopolies."

Downward revision of the Smoot-Hawley tariff will be undertaken by the Democrats as soon as they come into power, if they are successful in carrying the country in the November elections.

Tariff legislation was promised by Senator Alben W. Barkley of Kentucky in his "keynote" speech as temporary chairman of the Democratic National Convention, following a bitter indictment of the present law.

"We propose to reduce the exorbitant and indefensible rates of the Smoot-Hawley, Hoover-Grundy Tariff Act," the Senator announced. "We propose to inaugurate friendly international trade conferences with a view to the reopening of normal trade channels throughout the world.

"By this we do not mean to ignore the legitimate claims of American business," he explained. "We mean to promote them. The Democratic party does not advocate and has never advocated the policy of free trade. But we do object to the use of the power of taxation by small groups to stimulate their particular interests with an artificial invigoration at the expense and to the damage of the whole people.

"The normal prosperity of the American people depends upon their ability to sell in the markets of the world an average of 10 per cent. of their domestic products," Senator Barkley declared. "This includes agriculture as well as industry. If these markets are destroyed then our unsalable surplus must be thrown upon the domestic market and disorganize domestic prices still further, or we must cease its production and add still greater numbers to the army of the unemployed."

Additional tax legislation when Congress meets for the short session next December already seems to be a foregone conclusion, and indications are that a general manufacturers' sales tax will be adopted of considerably heavier proportions than that considered during enactment of the tax bill which has just come into effect.

While a large proportion of members of Congress have been consistently against anything savoring of a general sales tax, they are rapidly finding it impossible to escape the conclusion that only through such a tax will the Treasury be able to collect enough money to come anywhere near balancing the budget.

For months, every time the Treasury has issued a report on its receipts and estimates of future revenue, the figures have shown a greater need for new money, and it is freely predicted in Washington that the administration eventually will have to abandon its hope of balancing the budget and meet its needs for money from time to time by borrowing.

Three factors will control the action of Congress next session with respect to taxes: Whether the war debtors are going to pay what is then due the United States; how much revenue will have been collected under the new tax law; and how the Government economies are working out. If, as is now feared possible, these three factors are unfavorable, it is likely that Congress will not attempt to repeat its experiment of seeking sources of income to avoid a general sales tax but will enact the latter without hesitation.

Increased charges for insured and collect-on-delivery parcels asked by the Post Office Department are provided in legislation adopted by Congress June 24, from which additional revenues of $2,500,000 a year are anticipated.

The measure provides for graduated increases in all but the minimum rates now charged for insured parcels, and adds a 30-cent rate for insurance up to $150 and 35 cents for insurance up to $200. The present

(Continued on Page 16)

PHIL M. PHULOFAX SIZES UP CIGAR MERCHANTS

THE FOLLOWING communication was received this morning in the offices of this publication. Its author, Phil M. Phulofax, D. B. I., who is associated with Bayuk Cigars, Incorporated, of Philadelphia, has just set out on his annual tour of the country to observe conditions in the retail cigar world.

Yourtown, U. S. A.—Hello, everybody in the business! This is my first stop on the famous trip you've all heard so much about, and it has proved to be an excellent object lesson which I am passing right along.

Dropped off the limited early this morning and took a stroll around the town before things began to move. It's a homey looking place—lots of comfortable houses with their own yards and bikes parked along the front porch, green trees overhead, and a business section that looks neat and up to date. While the pavements were being swept and the windows polished, I walked over to I. M. Alive's store on the west side of the town. First thing that impressed me was a smart poster in the window telling me something I might have forgotten—that June 19th is Father's Day.

Time the old man got a break, thinks I, and a mighty good idea it is for a cigar dealer to remind the young fry on their way to an ice cream soda that Dad's a pretty good scout, and that what he would like above almost everything else is a box of his favorite cigars.

It wasn't an elaborate window—just a sign, which Alive might have printed himself on a piece of cardboard with some bright paint, and some open boxes of good cigars below it—but it caught my eye and was catching others, too, according to the statements of I. M., whom I found smiling over his counter, even at that early hour, and arranging some boxes on the top of the glass.

"Just in case they forget between the door and the cash box," he remarked as he propped a neatly lettered, "Dad, His Day—June 19th," beside the cigar boxes. "Of course I tell Junior when he comes in that it won't make a bit of difference if sister gets Dad the same present, because a man can't have too many of his pet smokes. I know my customers pretty well and am familiar with their likes and dislikes, but I've been keeping track lately and jotting it down on a pad here when I don't remember, so that when somebody wants to order a box for the head of the house, I'm pretty sure of knowing what will please him."

After this very pleasant call, I walked over to another shop a few blocks away—Y. Bother, Prop. Y. was somewhere in the dim background, and it took three "Yankee Doodles," drummed on the counter with my knuckles, to bring him out. Finally he shuffled over, asked what I wanted, told me things were bad.

"By the way," I put in, "do you know that June 19th is Father's Day?" Y. Bother said he thought it was around that time, but nobody buys gifts for such occasions anyway.

I started to sputter a reply, but stopped, realizing that I wasn't on a lecture tour but on an information gathering journey; and there was some real information about human nature and success in business in my morning's experience. I'll bet a box of cigars to a ticket to the World's Series that it doesn't take a master mind to detect the moral of the story.

WAITT & BOND OMITS

Waitt & Bond, Incorporated, manufacturers of the "Blackstone" cigar, has omitted the quarterly dividend of 20 cents on the Class B stock due at this time.

JOB CONSULTATION—WHAT IT MEANS

THE PHILADELPHIA Technical Service Committee offers a new means of helping employers of technical men. This operates in conjunction with their free employment service, which acts as a dignified, confidential, non-fee-charging clearing house for engineering, architectural, chemical, and other technical talent.

Often an executive has an exceptional problem requiring the assistance of a man of training and experience along unusual lines. Whatever the requirement, the committee stands ready to assist you in preparing your job specifications. Upon calling their headquarters, 1317 Spruce Street, Philadelphia, Pa., trained specialists in technical placement will be ready to help you make the right selection. This is also without cost to either the employer or employee.

The employment service places at your disposal nearly all of the available engineers in the Philadelphia area. The enrollment, 850 men, representing training in 147 different colleges, and experience in 68 different occupations in 284 industries. This committee was organized by The Engineers' Club of Philadelphia. It is affiliated with the Philadelphia chapters of twelve national engineering societies. The office work and contacting are done by the unemployed engineers themselves. It is working in co-operation with the Pennsylvania State Employment Commission.

What are your needs at present? Do you need a purchasing agent? Do you need a designer or draftsman? Or other technical men? Go over your personnel list again and see if you can make room for a man or two. They will not be so plentiful a little later on.

NEWS OF THE MANILA TRADE

Reports from Isabela and Cagayan Provinces where the best cigar leaf is grown indicates a short crop this year due to lack of rain. Growers, however, expect a very good quality of leaf.

La Insular Cigar and Cigarette Factory is using the radio to advertise their "Old Presidente" cigars. The program on this sponsorship is an electrical transcription and is called "Varieties." The program is popular with radio fans in the Islands.

David F. Morris, Philippine tobacco agent, is calling on the wholesale and retail trade in Southern California after competing a tour of the Southwest. Heavy trade gains have been made by the Manila cigar business during the past six months in that territory.

The sales of Manila londres in the United States from the first of the year have shown a very large increase. Several of the straight 5-cent Manila brands have also held up very well and the Manila trade promises substantial increase for the year. Cable reports from Manila for the month of May gave an increase over two and one-half million compared with May, 1931.

The local cigarette factories at Manila have lost considerable business during the past two or three years. Consumption of Manila cigarettes in the Islands have fallen considerably below five billion. More than a million American-made cigarettes are now sold in the Islands and some of the leading Manila cigarette factories are putting out their own brands and packings of cigarettes made from American tobacco. The style of packing in these new brands follows American fashion. They are wrapped in cellophane and are up to the minute in appearance.

LEAF TOBACCO AGAIN THIRD EXPORT

LEAF tobacco regained its place last year as the third chief export product of the United States, according to a statement recently made public by the Chamber of Commerce of the United States. Exports of tobacco in 1931 amounted to 503,531,000 pounds for a total value of $109,626,000. More leaf tobacco is consumed in this country in the manufacture of cigarettes than in any other tobacco product, and American cigarettes are known the world over for their quality and mildness which authorities in the industry claim result largely from the superior tobaccos used and the removal of impurities through the employment of modern methods of manufacturing such as the toasting process including the use of ultra violet rays. American tobacco is sold in some form in nearly every country in the world. Last year leaf tobacco displaced gasoline and naphtha to regain its former rank as third among United States export products.

AMERICAN CIGAR OFFICES MOVED

According to an announcement made last week, the offices of the American Cigar Company have been moved from their former location at 111 Fifth Avenue, New York City, to 15 Exchange Place, Jersey City, N. J.

The move is the outcome of the recent transactions which placed the American Cigar Company more completely under the ownership of the American Tobacco Company, and which made it no longer necessary to maintain the spacious offices at 111 Fifth Avenue.

A. T. PACIFIC COAST HEAD DIES

O. W. Peaslee, head of the American Tobacco Company's Pacific Coast Division for the past six years, passed away on June 17, following an illness of several weeks' duration. Although he had been ill for several weeks, Mr. Peaslee's death was entirely unexpected and was a shock to his many friends and business associates. He is survived by his widow and two children.

MIDLAND CORPORATION APPOINTS WINNINGHAM

The Midland Cigar Corporation of Detroit, Mich., announces the appointment of C. C. Winningham, Incorporated, of that city, as advertising and merchandising counsel.

According to the present plan, the Midland Cigar Corporation will introduce several complete lines of cigars before fall.

JAILED IN TOBACCO IRREGULARITIES

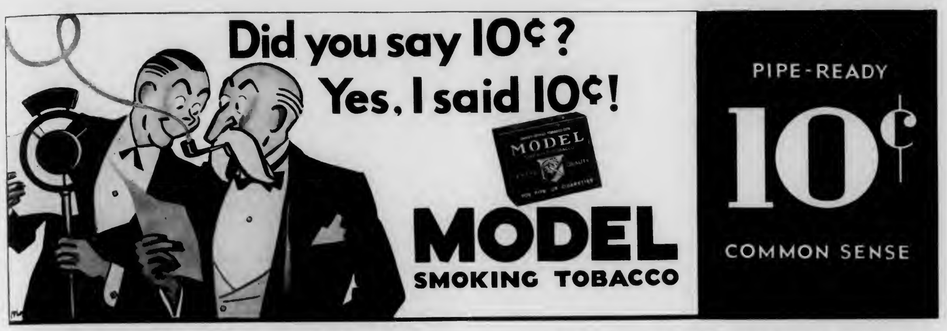
Juan March, multi-millionaire deputy who had been described on the floor of Parliament at Madrid as "the arch enemy" of the republic, was recently arrested on charges of irregularities in obtaining the Moroccan tobacco monopoly shortly after the government had imprisoned a group of alleged leaders in a monarchist plot.

HOWARD CULLMAN ATTENDS CONVENTION

Howard S. Cullman, of Cullman Brothers, Incorporated, well-known leaf tobacco brokers in New York City, has been attending the Democratic National Convention in Chicago, where he has been an ardent supporter of Alfred E. Smith for the Democratic nomination for President.

ELEVEN MONTHS' WITHDRAWALS FOR CONSUMPTION

	First 11 Mos. Fiscal Yr. 1932	— Decrease + Increase Quantity
Cigars:		
Class A—		
United States	3,297,696,585	+ 34,529,555
Porto Rico	83,253,490	— 52,066,480
Philippine Islands	159,331,005	+ 18,172,580
Total	3,540,281,080	+ 635,665
Class B—		
United States	64,960,284	— 242,930,479
Porto Rico	822,750	— 2,066,000
Philippine Islands	1,024,926	— 328,255
Total	66,807,960	— 245,324,734
Class C—		
United States	1,035,622,238	— 444,131,206
Porto Rico	4,483,144	— 4,006,412
Philippine Islands	417,900	— 506,244
Total	1,040,523,282	— 448,643,862
Class D—		
United States	64,448,189	— 35,588,341
Porto Rico	19,500	— 15,700
Philippine Islands	5,502	— 4,428
Total	64,473,191	— 35,608,469
Class E—		
United States	9,660,351	— 8,625,855
Porto Rico	500	— 3,100
Philippine Islands	18,077	— 51,664
Total	9,678,928	— 8,680,619
Total All Classes:		
United States	4,472,387,647	— 696,746,326
Porto Rico	88,579,384	— 58,157,692
Philippine Islands	160,797,410	+ 17,281,989
Grand Total	4,721,764,441	— 737,622,029
Little Cigars:		
United States	278,372,480	— 44,469,799
Porto Rico	4,500,000	— 1,050,000
Philippine Islands	.....	.....
Total	282,872,480	— 45,519,799
Cigarettes:		
United States	95,353,843,339	—12,770,366,189
Porto Rico	6,614,700	— 11,556,300
Philippine Islands	1,636,040	— 406,903
Total	95,362,094,079	—12,782,329,392
Large Cigarettes:		
United States	4,077,529	— 1,709,024
Porto Rico	790,500	— 1,219,500
Philippine Islands	1,200	— 5,600
Total	4,869,229	— 2,934,124
Snuff (lbs.):		
All United States	34,973,382	— 1,694,234
Tobacco Mfd. (lbs.):		
United States	294,925,861	— 1,591,637
Philippine Islands	965	— 502
Total	294,926,826	— 1,592,139



CIGARETTE TAX IN CHILE SAID TO BE OPPRESSIVE

IT MAY be recalled that in Chile the Internal Revenue tax on cigarettes and cigars was sharply increased, effective in March, 1931. At the time, according to a report received in the Tobacco Division of the Department of Commerce from Assistant Commercial Attache Harold M. Randall, there was considerable objection to the increase on the grounds that it would not have the desired effect, namely, increased revenues. It was further objected to as materially adding to the cost of the low-priced cigarette consumed by that part of the population having very small incomes. The result, as far as cigars are concerned, has been to lessen their sale to comparatively few. On the other hand, cigars are generally imported and would not now be obtainable owing to the refusal on the part of the Commission on Control of Foreign Exchange to grant permission to buy the exchange necessary for importation.

The effect on the sales of the cheapest cigarettes, which previously sold at 20 centavos a package and now sell at 30 centavos, is likewise quite considerable. Estimates place the average monthly consumption of this type of cigarette at 40 per cent. to 50 per cent. of normal. Likewise, where it was expected that the tax increase would provide an additional six million pesos per year to the government, present results indicate that not more than two million pesos will be realized.

This lowered consumption also lessens the demand for raw tobacco which is entirely produced within the country for the cheap cigarette. It is estimated that 75 per cent. of all the cigarettes used in the country are cheap. For this reason the increased taxes of last March were most strongly felt by the producers and users of the cheap cigarette, since the law raised the minimum tax per packet of cigarettes from five to ten centavos.

In view of the unsatisfactory results realized, propaganda is now being made to the end that the law may be changed, so that taxes will be levied entirely on a percentage of the retail price which is the general basis now but does not apply to the very cheap products so long as the clause requiring the minimum of ten centavos is maintained.

PORTO RICO-AMERICAN REPORTS LOSS

The Porto Rican-American Tobacco Company reports for the March, 1932, quarter consolidated net loss of $40,834, after all charges, including interest.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

BAYUK PREFERRED DIVIDEND

Bayuk Cigars, Incorporated, have declared the regular quarterly dividend of $1.75 on the first preferred stock of the company, payable July 15 to stockholders of record June 30. Three months ago common dividend was omitted.

CONSOLIDATED CIGAR DIVIDEND ACTION

Directors of the Consolidated Cigar Corporation at their recent regular meeting took no action on the quarterly dividend on the common stock due at this time. Three months ago the dividend was reduced to 75 cents from $1.25.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

RETAIL STORE PLANNING

(Continued from previous Issue)

Location of Non-Selling Departments

The Receiving Department

Merchandise must, of course, be brought into a store before it can be displayed in the selling departments, and the receiving room with its checking and marking sections will necessarily be located with convenience to incoming goods and should occupy space which would be unsuitable for selling purposes. The receiving room must also adjoin the reserve stock room or have communication with it by means of convenient transportation facilities. Marked merchandise not intended for regular stock passes to the reserve stock room or warehouse. Many modern stores, however, do not have a reserve stock room, on the theory that providing this extra space for storage encourages overbuying. It has also been the experience of a number of merchants that the need for reserve stock storage is seasonal, and before the holidays or at any other time when it is necessary to have a particularly large stock on hand it may be cheaper to use a warehouse than to appropriate store space.

The Delivery Department

The more valuable the store location the more difficulty there is likely to be in providing ample space for the sorting, checking, loading and trucking necessary for the handling of merchandise after it has been sold. In congested business districts of the largest cities it is considered that even space in the rear basement is too valuable to be given over for this purpose, and some merchants have established delivery departments outside the store building, in a few cases at a considerable distance where comparatively low rent is possible.

Store Offices and Workrooms

A store which includes a credit department may properly allow space for this purpose on an upper floor where privacy may be insured. Adequate elevator service and its proper position on the floor may make the credit department easily found. It may also prove of advantage to place the credit offices so that customers must pass through selling departments that might otherwise be somewhat slighted. The "will-call" section would logically require about the same location as the credit department, were it not for the fact that the "will-call" section is patronized, as a rule, by a different class of people and in some stores is not sufficiently profitable to warrant any space but that which is the least desirable for selling purposes. The policy in this section differs from the credit department in that the purchaser makes a deposit and receives the article when fully paid for. Many stores do not have a "will-call" section at all, perhaps for the reason given by one department store manager who vouchsafed the opinion that it too easily develops into a "won't-call" section unless the initial payments are kept reasonably high.

Other sections, such as those for keeping records and accounts, are generally systematically arranged in places from which the executive offices are easily accessible and which are not of great value for sales space. Fitting rooms, alteration rooms, and millinery workrooms must, of course, be located close to their respective selling departments.

Service Departments

Reference has been made to the rapid growth of services to store visitors which has resulted from the competitive situation in the retail field. What means to use for the attraction of trade and the convenience of customers and how much space should be given over to customer service depends upon the size of the store, the class of trade, and competitive influence. Information bureaus, telephone booths, tea service, lounging chairs, and manicuring tables are among the conveniences frequently found on the main floor balcony, particularly in department stores. The balcony, or mezzanine floor, is an unsuitable location for the selling of most classes of merchandise and provides a good view of the attractions on the first floor; consequently it is considered an ideal place for taking care of one or more of the services mentioned. Practically all large stores have a rest room, and this convenience should be situated on an upper floor near a well-considered merchandise display.

Special services in the form of motion-picture shows, demonstrations, music, lunch rooms, beauty parlors, children's barber shops, and many others, have been tried in some of the large stores. Expensive service departments often prove of no direct profit to the retailer and tend to increase the price of merchandise. Therefore, in choosing a location for conducting any special service in his store, the progressive merchant aims to make the service act as both a distributing and advertising agency. In other words, if the service is really desirable and is properly located, it may be the means of circulating people through the bypaths of the store and indirectly advertising goods which need this additional publicity.

Layout of Administrative Offices

Without competent administration there could be no efficient merchandising establishments, and since in a retail store of any kind the goods to be sold must have first prominence, the administrative offices literally represent the power behind the scenes.

In the small specialty shop the merchant can probably spend most of his time outside his office in contact with the activity throughout the store. He may not even have an office other than a desk at the rear of the store. The larger the store the more varied will be the duties of an administrative officer, or the more nearly specialized will be the work of several administrative officers. It is, therefore, through a study of the duties of the executives that the best location of their offices can be determined. Purchasing agents and others who must frequently receive callers are con-

(Continued on Page 14)

ALL TOBACCO PRODUCTS DOWN IN MAY

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of Internal Revenue collections for the month of May, 1932, and are issued by the Bureau. (Figures for May, 1932, are subject to revision until published in the annual report):

Products		—*May*— *1931*	*1932*
Cigars (large):			
Class A	No.	314,514,100	285,609,705
Class B	No.	13,716,427	4,485,307
Class C	No.	128,653,790	73,875,390
Class D	No.	9,513,814	4,489,857
Class E	No.	901,530	93,107
Total		467,299,661	368,553,366
Cigars (small)	No.	32,498,000	27,068,000
Cigarettes (large)	No.	376,660	292,724
Cigarettes (small)	No.	10,447,680,180	8,685,337,417

The above statement does not include tax-paid products from Porto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of May:

Products		—*May*— *1931*	*1932*
Cigars (large):			
Class A	No.	9,627,815	7,282,365
Class B	No.	327,300	6,000
Class C	No.	827,826	281,000
Class D	No.	5,000	300
Total		10,787,941	7,569,665
Cigars (small)	No.	500,000	500,000
Cigarettes (large)	No.	110,000	40,000
Cigarettes (small)	No.	1,000,000	700,000

Tax-paid products from the Philippine Islands for the month of May:

Products		—*May*— *1931*	*1932*
Cigars (large):			
Class A	No.	14,511,870	14,144,970
Class B	No.	97,550	8,807
Class C	No.	36,652	33,418
Class D	No.	500	160
Class E	No.	160	3,525
Total		14,646,732	14,190,880
Cigarettes (large)	No.	1,000	1,000
Cigarettes (small)	No.	148,540	154,540
Tobacco, manuf'd	lbs.	83	64

Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Comparative Statement Internal Revenue Collections

Objects of Taxation	*First eleven months Fiscal year 1931*	*1932*
Tobacco manufactures:		
Cigars	$16,697,990.55	$13,315,501.22
Cigarettes	324,430,473.12	285,880,564.38
Snuff	6,590,170.61	6,295,208.97
Tobacco, chewing and smoking	53,380,699.60	53,058,427.18

ROCKY FORD

... in the popular

INVINCIBLE *size*

is a Handsome Cigar . . . Priced RIGHT . . . 5½ inches of long filler, imported Sumatra wrapper, machine-made perfection of shape. The Invincible DISPLAYS its value and therefore gets the sales. Ask your jobber.

LONG FILLER
IMPORTED SUMATRA
WRAPPER

5¢

© P. Lorillard Co., Inc.

"BEST OF THE BEST"

OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

UNITED CIGAR ASSESSMENT UPHELD

Assessment of $19,132 on the par value and non-par value stock of the United Cigar Stores Company by the New Jersey State Tax Commissioner was upheld by the Supreme Court in Trenton on June 15.

The company sought certain exemptions and maintained the total tax should have been $14,882. The Court upheld Francis D. Weaver, president of the State Board of Tax Appeals, but advised, however, an appeal be taken to the Court of Errors and Appeals for a final determination.

RETAIL STORE PROBLEMS

(*Continued from Page 12*)

veniently located near elevators so that they can be easily approached. In contrast, there may be executives whose duties require that they be secluded from distracting influences. The top floor of a large store is commonly used to advantage for administrative offices and other non-selling departments which are not frequented by customers.

Conclusion

Efficient methods of getting merchandise into the store, caring for it, displaying it, and disposing of goods sold may be directly responsible for increased sales without increasing the overhead expense. This study is concerned with such methods, however, only in so far as they may be made more efficient through effective store planning.

It is doubtful if any one store can attain perfection in store layout, but the experience of many merchants has contributed certain well-defined principles of ideal store planning which serve to emphasize the importance of this phase of modern retailing. A full realization of its importance may inspire the retailer with a keener desire to match his standards with the best and ultimately to reduce prices through increased sales at less expense.

BUDGETARY CONTROL IN RETAIL STORE MANAGEMENT

Introduction

AN ANALYSIS of the statistics of business failures, "the mortality table of business endeavor," indicates that something is wrong with the operating policies of many business organizations. The fact that some establishments continue to operate without a fair rate of return also tends to bring forcibly to the attention of business men the necessity of more scientific management on the part of executives.

The retail store is conspicuous in the field of business enterprise for the number of casualties. Failures have been attributed to a lack of sufficient working capital, to a poor location, and are often falsely laid at the door of economic changes. In summarizing these causes, however, poor management in some form appears to be the root of many such failures.

This study deals with one phase of the retail-store management problem—that of control. Budgetary control is not a new subject for consideration, though heretofore it has been practiced chiefly by governmental bodies. Only to a slight extent have the principles of scientific control been applied to industrial organizations, and only in the past four or five years has the merchant appeared to realize that his business, as well as that of the manufacturer, is a science, and that many of the methods which are being adopted in the management of other phases of industry can be equally well applied to retailing. Particularly is this true of budgetary control.

Though technical processes and the minute details of installation and operation of any budget system must necessarily follow the establishment of a definite purpose and must be based on sound principles, budgeting can not be looked upon as a rule-of-thumb procedure. In other words, it is essential that the system fit the business rather than that the business fit the system.

By budgetary control is meant the intelligent use of the budget in controlling the various sources of profit. The budget part of budgetary control has been defined as "a plan for the future, based on past experience and the present economic situation, together with anticipated changes." A budget sheet, therefore, is to the manager what the blueprint is to the engineer. It is recognized that this analogy is not quite true, for the engineer rarely has to change his plans; on the other hand, when the whole budget plan or guide is put into effect it is likely that situations will arise which will necessitate some changes. But in the main, the plan is fairly well followed, just as the engineer follows his blueprint. The resulting success in both cases is dependent on the foresight and ability of those responsible for the plan and on the possibility of obtaining accurate data.

When considering the budget the quantity and quality of detail and not the principles vary with the different classes of retail stores. The specialty store, the department store, the general store, the chain store, and the mail order house obviously differ in the number of departments and in the method of sales. The various types of stores are further divided into units of unequal size within each specific type, and this dissimilarity suggests technical difference in management. For example, in some of the very small concerns all or most of the managerial functions are performed by a single executive, whereas in the larger organizations each may be performed by a different individual. Though the method of inventory, completeness of the accounting system, and statistical organization or lack of organization, may modify considerably the means which are used to accomplish the end, these are not fundamental differences so far as the use of a budget system is concerned. This method of control is adaptable to any type store.

Budgetary control is fundamentally an economic analysis and not a mere routine procedure. Therefore this bulletin does not attempt to present material which can serve as a detailed guide in any part of this phase of store management. Its sole object is to give unbiased consideration to the principles of budgeting for control as applied to retailing.

Purposes of Budgetary Control

Basic Guide to Activities

The first purpose of budgetary control should be to establish a map of future business. When a ship leaves port, the captain presumably has a goal (the port to which he is bound); he carries the chart of the course, and instruments, such as compass and sextant, to keep him on this course. The captain of a business must take the same precautions in guiding his business ship over the rough seas of competition and through alternating periods of prosperity and depression.

The established quotas and limits are the ports toward which the business pilot is heading; the budget is the map; and the comparison of actual with estimated figures corresponds to the ship's compass and sextant, for by this the direction of movement and the location of the business is determined. Here the analogy ceases, for if the ship is off its course, the rudder is merely moved so as to correct the direction. In the case of business both the direction and goal are changed—that is, the budget quotas and limits are readjusted to fit the new situations. Nevertheless, the fact remains that if the management knows what is to be done it can take the most direct means of doing it. It is difficult enough to hew to a line when the line is distinct. Waste and inefficiency, if checked every period, can be stopped immediately, and the substitution of records for memory makes for exactness.

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DUYS ISSUES ANNUAL REPORT OF A. C. M. ACTIVITIES

FOLLOWING the recent meeting of the board of directors of the Associated Cigar Manufacturers and Leaf Tobacco Dealers Association, and the decision to forego the annual convention this year, John H. Duys, president of the association, mailed his annual report covering the activities of the association, to all members of the organization. The report was as follows:

I regret to advise you that, as foreshadowed in my report of last year in which I called attention to the decrease in cigar production in the United States, there has been a further substantial decline in all classes and especially in Class C. This decline has been steady, each month showing a smaller production than the corresponding month a year ago.

This downward tendency, however, is in line with the conditions prevailing in many other industries; in fact, during recent months cigarette production has shown a much larger decrease than that of cigars. The situation, therefore, is in no way attributable to a decline in the popularity of cigars but is due solely, in my opinion, to the decreased buying power of the general public.

Cooperative Advertising

Time has only served to strengthen my convictions, heretofore expressed, on the subject of a comprehensive publicity campaign. At various times during the past year the leading cigar manufacturers have been approached on this subject but owing to business conditions it was found very difficult to arouse enthusiasm and it proved impossible to raise sufficient funds to warrant the undertaking of a worthwhile campaign. It is a serious question as to whether the trade is acting wisely in failing to launch a movement at this time. Certainly there is something to be said in favor of undertaking the cooperative advertising of our products when business is at a low ebb for the very purpose of stimulating it. The rescue of our industry from the prevailing depression would be the prime object of a well conceived project of cooperative publicity. However, it would seem that the industry is not disposed to undertake this movement under existing conditions and we must await a revival of business before making any further attempts to proceed.

Our main efforts today must be concentrated upon the making of good cigars. We must give the smoker the best possible values for his nickel and his dime and I am glad to state in this connection that cigars retailing at five cents, ten cents and upwards are today superior in quality to those offered the public during the past fifty years. Some extraordinary values also are being offered in cigars retailing below five cents.

Sumatra Embargo

As predicted in my last report the Dutch growing companies notified the American Government last October of the abandonment of contract labor on their tobacco plantations; hence the Treasury Department decided to allow the 1931 crop to enter the United States. As future crops will be grown under free labor conditions no special permission for their entry will be necessary and further embargo is out of the question. Your association was able to secure this ruling both in Washington and in Holland due to the untiring efforts of its members and the cooperation of practically the entire industry.

Increase in Internal Revenue Tax on Tobacco Products

Soon after the convening of Congress last December it became necessary to direct our efforts toward the prevention of the imposition of additional taxes upon our already overburdened industry. We drew to the attention of Congress the constant decline in cigar production and I believe we convinced Congress that an increase in the tax on cigars would mean less rather than more income for the Government. In the hope of balancing the budget Congress adopted a number of new taxes but without any further mention of the cigar industry. When the subject of the imposition of a sales tax was broached we protested against its application to cigars, pointing out that our products were already heavily taxed under the internal revenue laws and that the pyramiding of a sales tax would so hamper our industry as to cause a decrease in production and, therefore, a decline rather than a gain in revenue. In this connection we urged our members to appeal to their Congressmen and Senators and we were able to convince Congress that cigars should be excluded from the proposed manufacturers' sales tax.

I deem it my duty, however, to call your attention to the fact that Congress has authorized appropriations aggregating so vast a sum that it is a serious question as to whether the tax program just agreed upon will actually balance the budget of the Treasury Department. There is good reason to fear that the relief projects upon which Congress is now working will require the imposition of additional taxes and that legislation to provide more revenue may be undertaken in the near future, possibly at the next session of Congress which convenes December 5 and adjourns March 4 next. We must hold ourselves in readiness to oppose any further attempts to tax our products and I therefore solicit your hearty cooperation for the protection of our industry.

State Taxation of Tobacco Products

During the past year various bills for the taxing of tobacco products were proposed in the legislatures of a number of States. Your association through its members was successful in defeating practically all of these bills, special thanks being due to Mr. Howard S. Cullman for his untiring efforts in behalf of our industry.

In the various activities we have successfully prosecuted, our organization has again demonstrated the tremendous value of a strong trade association. Without the information we were able to impart to our representatives in Congress in advance of legislation there can be no doubt that Congress would have lacked timely information regarding conditions prevailing in our industry.

Treasurer's Report

Our total receipts of the year from dues amounted to $9,376.08, and we have a cash balance in the banks, as of June 1st, 1932: $2,566.90. On account of the business depression now prevailing, it has been decided by your board of directors, to reduce expenses wherever possible, and dues for the coming year will be 60 per cent. of the amount charged to you heretofore. Bills will be mailed about July 1st, to our members.

Executive Committee

At the meeting held by your board of directors on June 2d, 1932, it was decided to appoint an executive committee of seven members, comprising six cigar manufacturers, and the president as ex-officio member, and your president has appointed the following:

Mr. B. G. Meyer, chairman, General Cigar Company, New York City.

Mr. T. E. Brooks, T. E. Brooks & Company, Red Lion, Pa.

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News from Congress

(Continued from page 8)

schedule has a maximum of 25 cents for parcels valued at not exceeding $100.

Rates for C. O. D. service are increased from 15 cents for collections up to $50 to 17 cents for collections up to $25 and 22 cents for collections between $25 and $50.

These changes are to be followed by increases in the rates for money orders, the present schedule, according to postal officials, not being high enough to cover the cost of the service.

FOREMAN OPENS PHILADELPHIA OFFICE

C. N. Foreman & Company, Red Lion, Pa., manufacturers of the "White Swan" cigar, a long filler five-cent brand, packed in boite nature boxes and also in regular packings, has established a branch sales office at 401 North Broad Street, this city, under the management of Horatio Batezell as Eastern sales manager.

Mr. Batezell is well known to the local trade, having been associated with the Otto Eisenlohr & Brothers firm for a number of years as credit manager, and more recently associated with the retail department of the Congress Cigar Company.

Included in Mr. Batezell's sales force are Eddy Crooks and Charles Dutkin, both recently associated with the Congress Cigar Company, and George Schneider and Lewis Wonder, who are also experienced salesmen in the merchandising of cigars.

Mr. Batezell's territory includes Pennsylvania, southern New Jersey, Delaware, Maryland and the District of Columbia.

Mr. Crooks will cover Philadelphia and nearby territory; Mr. Dutkin has been assigned to the territory south of Philadelphia, including Delaware, Maryland and Washington; Mr. Schneider will cover New Jersey, and Mr. Wonder northern Pennsylvania.

With such a selling organization, the "White Swan" will soon be found in all the important retail outlets in the above districts.

Among the contestants at the annual "Blackstone" golf tournament held at Baltusrol Golf Club, Short Hills, N. J., on June 13th, were Messrs. Jones, Brogan and Shetzline of Yahn & McDonnell Cigars, Philadelphia distributors of the "Blackstone" cigar.

Mr. Shetzline was tied for second place in the tournament with Henry Pinney, of the H. E. Shaw Company, Worcester, Mass., and Mr. Shetzline drew a "calamity Jane" putter as his prize.

The tournament was well attended by "Blackstone" distributors and was followed by a dinner and entertainment at the Twin Rivers Club, Mountain View, N. J.

Recent visitors in town last week were Harry W. Buckley, president, and Fred W. Cook, Lima, Ohio; John A. Campbell, Detroit, Mich., and W. D. Rosenberger, Chicago, all members of the board of directors of the Autokraft Box Corporation. The party was returning from New York City, where they participated in the annual golf tournament of the *U. S. Tobacco Journal*, and where Messrs. Buckley and Cook were included in the list of prize-winners.

HARRY SHACKLETT DEAD

THE MANY friends of Harry I. Shacklett were shocked to learn of his ultimely death last week, following an illness of many months' duration.

Mr. Shacklett had a host of friends here who had known him for a number of years as representative of the "G & S" brand and also of the "Carlton" brand manufactured by A. Gutierrez, and distributed here by Yahn & McDonnell Cigars.

Mr. Shacklett had been ill for a long time at his home in the Ambassador Apartments, at Twenty-first and Walnut Streets, and had just returned to his home in Virginia about a month ago in the home of regaining his health.

He passed away on Wednesday, June 22, and funeral services were held from his home in Marshall, Va., on Friday, June 24.

RETAIL STORE PROBLEMS

(Continued from page 14)

Coordination of Activties

The second purpose of budgetary control is to coordinate the activities of the business. While it is true when there are several persons individually responsible for a specific function each is likely to over emphasize the importance of his own field of activity, it is also true that in a small business the various functions of management are often less well defined, and may be even more difficult to coordinate than in the case of larger establishments where official duties are classified and a manager placed in charge of each office. However, the advantages of functional coordination apply both to large and to small stores.

Selling is the "little idol" in many retail organizations. Due consideration is not always given to the cost of sales and to the margin which they should yield. The bringing together of the costs and possibilities of the constituent elements of the selling process enables the retailer to approximate the correct ratio between sales volume and expense.

Not only are the offices of purchasing, personnel work, financing, and store operation coordinated with selling, but the subdivisions within the selling departments are purposefully coordinated by the proper functioning of budgetary control.

All that is important to the success of the retailer does not, however, occur within his own store. Real peril awaits the chief executive who has his eyes on the internal performance of his business to the extent that he fails to adjust his organization to the slow changing as well as to the rapidly fluctuating economic forces which affect retailing. The bringing together of external and internal statistics in order that the trend of business may be recognized and wasteful practices eliminated is facilitated by means of a properly constructed and properly operated system of budgetary control. A consideration of the panics and crises of 1819, 1837, 1857, 1873, 1893, 1907 and the crises of 1914 and 1920, with the violent fluctuation of department store sales as far back as statistics for them are available, shows the importance of this function of the budget.

(To be continued)

GENERAL CIGAR EARNINGS

EARNINGS of the General Cigar Company in May were better than in any previous month this year, and orders already in hand indicate that June earnings will exceed those of May.

Net for the first six months will be over $650,000, or a little better than $1 a common share after preferred dividends.

General has increased its proportion of the total cigar business in the half year.

The second half year is usually better, and it is likely that earnings during it will cover two $1 quarterly dividends for the period, but it is probable that the entire year's earnings will still be short of full $4 dividend requirements.

There is no immediate prospect of any dividend revision. The next regular directors' meeting comes in the first week of July, and the regular $1 dividend on common will be declared. The management expects conditions three months thence will justify the regular dividend, even if earnings continue poor. The company has pursued a conservative dividend policy for years, paying the present rate (or equivalent on old stock) since 1924, though earnings each year have been $1 to $4 a share over dividend requirements.

General has about $4,000,000 cash—about $1,000,000 less than at the end of 1931—and owes no money except $2,800,000 serial notes, of which $700,000 are due each December 1. After the note installment this year and preferred dividends, and allowing for a full $4 common dividend, General Cigar expects to have more cash than shown on the last annual balance sheet.

A. T. COMPANY EARNINGS GAIN

Despite some falling off in sales in the first half of 1932, earnings of American Tobacco Company have been running above 1931. Not all American Tobacco products are showing declines in line with general tobacco consumption. Smoking tobaccos are doing well; "Bull Durham," with the benefit of a price cut last summer, is running some three and one-half times sales of a year ago; pipe brands are also ahead.

Cigarette sales a year ago were gaining competitively, so the present decline from 1930 is not so severe as from 1931. Toward the end of 1931, sales of "Lucky Strike" began more closely to reflect a drop in consumption, and the company hopes that sales comparisons, with the second half of 1931 will be more favorable than with the first half.

Contributing to the increase in profits in the first half have been lower leaf tobacco costs and a cigarette price increase. The latter factor will not be operating in the second half, because comparison will be with a period when the cigarette price level was the same.

EASTERN JOBBERS MAY JOIN WESTERN

(Continued from Page 6)

Amster-Kirtz, Inc., Cleveland, Ohio; Louis G. Kustas, Kustas & Chamberas, Poughkeepsie, N. Y.; Irven Moss, Hudson County Tobacco Co., Trenton, N. J.; John R. Shulick, Shulick-Taylor Co., Wheeling, W. Va.; L. K. Black, Goldsmit-Black, Inc., Pittsburgh, Pa.; C. D. Hunter, J. P. Manning Co., Boston, Mass.; H. S. Rosenthal, J. P. Manning Co., Boston, Mass.

Also John Loughran, Daniel Loughran & Co., Washington, D. C.; Sidney Grossman, Linker Cigar Co., Louisville, Ky.; Andrew Jacoby, House of Jacoby, Atlantic City, N. J.; Henry Brenner, M. Brenner & Sons, Harrisburg, Pa.; Mac Jacobowitz, Hudson County Tobacco Co., Jersey City, N. J.; E. C. Dearstyne, Dearstyne Bros. Tobacco Co., Albany, N. Y.; J. L. Schwarz, Schwarz & Son, Newark, N. J.; N. Carris, Schwarz & Son, Newark, N. J.; Joseph Kolodny, Jersey City Tobacco Co., Jersey City, N. J.; Charles P. Delevan, Middletown, N. Y.; Edward F. Requard, F. A. Davis & Sons, Baltimore, Md.; L. E. Phelan, secretary, Detroit Tobacco Jobbers' Group; J. C. Emery, Detroit Tobacco Jobbers' Group; N. Nargles, P. Rosenbaum, Newburgh, N. Y.; Thomas M. Connor, Joseph Connor & Sons, Inc., Norwich, Conn.

Others were: W. E. Young, George W. Cochran Co., Washington, D. C.; H. J. Lagonegra, Elmira Tobacco Co., Elmira, N. Y.; C. F. Patrick, Patrick McRea Tobacco Co., Richmond, Va.; LeRoy N. Sutton, Bridgeton, N. J.; L. F. Ball, King Cigar Co., Flint, Mich.; J. F. Obrecht, Jr., J. F. Obrecht & Co., Baltimore, Md.; William S. Schwarz, Keilson Cigar Co., Cincinnati, Ohio; L. B. Sleet, Capital Cigar & Tobacco Co., Washington, D. C.; F. W. Layton, F. W. Layton & Son, Pennsgrove, N. J.; Jonathan Vipond, Scranton Tobacco Co., Scranton, Pa.; Henry Grunst, Cliff Weil Cigar Co., Richmond, Va.; Adolph A. Bergen, M. Bergen Sons, Elizabeth, N. J.; Jacob Shapiro, Shapiro Bros., Newburgh, N. Y.; Adam Winter, Poughkeepsie, N. Y.; Nelson Eberbach, A. B. Cunningham Co., Philadelphia, Pa.; Barney Goldberg, Capitol Tobacco Co., Hartford, Conn., and Charles Eden, F. H. Crygier Tobacco Co., Hartford, Conn.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

NEW FANGLE:—46,043. For cigars only. June 9, 1932. Schaefer Cigars, Inc., Dayton, Ohio.

MELLOROOT:—46,049. For pipes and smokers' articles. June 17, 1932. L. & H. Stern, Inc., Brooklyn, N. Y.

DUNATI:—46,050. For cigars, cigarettes, chewing and smoking tobacco and snuff. June 17, 1932. C. J. DuBrul, Cincinnati, Ohio.

TRANSFERS

WINCROFT:—43,417 (T. M. A.). For all tobacco products. Registered July 28, 1923, by George Schlegel, Inc., New York, N. Y. Transferred to Coony-Bayer Cigar Co., Fort Wayne, Ind., June 7, 1932.

LOBELIA:—11,815 (Trade-Mark Record). For cigars. Registered June 1, 1892, by L. C. Wagner & Co., New York, N. Y., and **109,115** (U. S. Patent Office), for cigars, cheroots, little cigars, cigarettes and manufactured tobacco, by Mi Favorita Cigar Co., Inc., New York, N. Y. Through mesne transfers acquired by Antonio Cortina, and re-transferred to Lucius Cigar Factory, Inc., Chicago, Ill., June 4, 1932.

LA FLOR DE RYAN & RAPHAEL:—45,437 (T. M. A.). For cigars. Registered January 9, 1928, by Jose Ferlita Cigar Co., Chicago, Ill. Transferred to Antonio Cortina, and re-transferred to Lucius Cigar Factory, Inc., Chicago, Ill., June 4, 1932.

LUCIUS DE LUXE:—45,129 (T. M. A.). For cigars. Registered January 13, 1928, by Jose Ferlita Cigar Co., Chicago, Ill. Transferred to Antonio Cortina, and re-transferred to Lucius Cigar Factory, Inc., Chicago, Ill., June 4, 1932.

LUCIUS:—24,552 (Trade-Mark Record). For cigars. Registered May 4, 1901, by George Schlegel, New York, N. Y. Through mesne transfers acquired by Antonio Cortina, and re-transferred to Lucius Cigar Factory, Inc., Chicago, Ill., June 4, 1932.

JUNE TOBACCO ADVERTISING DROPS

JUNE was the first month since January during which advertising expenditures by the tobacco industry in national magazines failed to exceed the total for the corresponding month of 1931. The June total in national magazines was $362,464, a decline of 20.3 per cent. from $454,523 registered for June a year ago. The expenditure in June farm magazines was $34,250, a drop of 12.6 per cent. from last year. The total for both was $396,714, off 19.7 per cent. Of the amount expended in national magazines, $283,743 was accounted for by cigarettes, $3167 by cigars, and $75,554 by manufactured tobacco and smokers' supplies, according to figures compiled from national advertising records by the business survey department of Dorrance, Sullivan & Company, New York advertising agents.

An expenditure of $3,428,448 was registered in national magazines and national farm magazines by the tobacco industry for the first half year, as compared with $3,113,991 for the first six months of 1931, an increase of 10.1 per cent. National magazines accounted for $3,197,948 of this total, ahead 9.4 per cent.; and farm magazines accounted for $230,500, ahead 20.3 per cent.

Radio advertising over national networks continued to gain during May with a total of $542,761, a percentage gain of 27.8 over last year. For the first five months of the year the radio expenditure was $3,596,605, a gain of 103 per cent. over $1,771,283 spent for this medium during the first five months of 1931.

DUYS ISSUES ANNUAL REPORT

(*Continued from Page 17*)

Mr. William E. Waterman, Waitt & Bond, Incorporated, Newark, N. J.

Mr. M. C. Gryzmish, Alles & Fisher, Incorporated, Boston, Mass.

Mr. Manuel L. Perez, Marcelino Perez & Company, Tampa, Fla.

Mr. S. T. Gilbert, Deisel-Wemmer-Gilbert Corporation, Detroit, Mich.

This committee was appointed from a geographical standpoint and we have tried to select one cigar manufacturer of each of the principal cigar manufacturing sections. The committee is to have full charge of all legislative matters affecting the cigar trade.

Other Matters

It is with extreme pleasure that we can inform you that Mr. William L. Crounse who has represented the trade in Washington for a great many years, has fully recovered from his recent illness, and will again represent our industry in his usual able and efficient manner.

Your president has again addressed a letter to Senator Capper with reference to the Capper-Kelly Honest Merchandising Bill, which is still before Congress, urging the early passage of this bill, same as last year. I ask you again to get in touch with your Representatives and Senators this coming autumn, when they are at their homes, and endeavor to pledge them to favor the Capper-Kelly Bill. I sincerely hope you will take an active part in this movement and all our members will do their bit toward creating a strong sentiment for anti-price-cutting legislation in the new Congress.

We will continue to maintain the bulletin service for the benefit of our members, placing before them prompt reports upon the monthly production of cigars and other tobacco products, the monthly crop reports of the Department of Agriculture, the quarterly census of leaf tobacco holdings by dealers and manufacturers, legislative happenings of importance, etc., etc. In addition, we will also continue to give special information to individual members in response to inquiries. Our Washington Office as heretofore, will operate promptly with members seeking to have expedited, their applications for passports to visit foreign countries.

Annual Convention

Solely from an economic standpoint it was decided by your board of directors to omit the usual annual convention this year. The expense of a convention amounts to several thousand dollars and is contributed by individual members. Under present business conditions we did not care to ask for these funds, especially as no matters of immediate importance were to be brought to the attention of our members at this particular time.

THE SUMATRA TOBACCO CROP

The Sumatra tobacco crop for 1932 not so good as 1931, better than 1930. Uplander estates generally satisfied with rains, quality, size, foot and sand leaves. Lowland had fairly satisfactory rains March and April; May rather dry. Lowlands crop in the whole only fairly good in quality and size. Leaf exports from Sumatra in 1931 amounted to 38,227,764 pounds, compared with 40,052,957 pounds in 1930. According to an Aneta dispatch, unsatisfactory results of the Amsterdam auctions of Sumatra tobacco are forcing producers to adopt drastic measures of economy.—*American Consul Louis H. Gourley.*

VOLUME 54 No. 14

THE TOBACCO WORLD

U. S. Department of Agriculture

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ROCKY FORD
. . . in the popular
INVINCIBLE *size*

is a Handsome Cigar . . . Priced RIGHT . . . 5½ inches of long filler, imported Sumatra wrapper, machine-made perfection of shape. The Invincible DISPLAYS its value and therefore gets the sales. Ask your jobber.

LONG FILLER
IMPORTED SUMATRA
WRAPPER
5¢

automatic
machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS
Get all the facts now on automatic merchandizing.
Write for a sample copy
THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SAN
Office, 118
FACTORIES

MUTILATED PAGE

Fashion Note
for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

Volume 52 **THE TOBACCO WORLD** Number 14

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Publishers

Hobart Bishop Hankins, President and Treasurer

Gerald B. Hankins, Secretary

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U. S. A. TO BECOME CENTRE FOR MAKING OF INTERNATIONAL BRANDS OF CIGARS

THE moving of the factories where the finest Cuban tobaccos are rolled into the world famous "La Corona" Havana cigars from the city of Havana to Trenton, N. J., was confirmed last week by L. S. Houston, chairman of Henry Clay, Bock & Company, Limited, the marketing company for Cuban international brands of cigars.

Mr. Houston stated that as the result of savings to be effected, the retail price of these cigars in the American market would be reduced approximately 50 per cent. to the public because of the production advantages to be secured from American manufacture, due to the more favorable duty on raw tobacco from Cuba than on the finished product and due to greater efficiency of American labor.

Mr. Houston pointed out that this move will greatly increase the markets for the best grown Cuban tobaccos and will help bring new prosperity to the Cuban tobacco growers and increased employment to the agricultural population of Cuba at this time.

"In the past twenty years," said Mr. Houston, "the total annual exportation of cigars from Cuba declined from approximately 300 million to less than 50 million in 1931. Through this change of place of manufacture, this decline will be checked and popularity for the finest Havana cigar rebuilt throughout the world.

"The curing and processing, stripping and blending of tobaccos for these cigars will be continued in Havana under the same supervisory personnel, following the same scientific methods as heretofore. The tobacco fully prepared for rolling will be transferred to a customs bonded factory at Trenton, where carefully trained operatives will roll the tobacco into the finished product.

"The plant in Trenton will be equipped to produce artificially the favorable atmospheric conditions which are only available naturally at Havana.

"The world famous cigars now to be manufactured in the United States include: "La Corona," "Cabanas," "Henry Clay," "Villar," "Bock," "Manuel Garcia Alonso" and "La Meridiana." They have been favorites of smokers all over the world for from seventy-five to one hundred years.

"The United States will, as a result of this move, become a manufacturing centre for international brands of cigars, smoked all over the world.

"Anticipating the rapid growth in volume of sales as the result of the price reduction," said Mr. Houston, "we have planned a great increase in our plantings in the Vuelta Abajo section of Cuba.

"In 1932, the planting of 575 additional acres, representing a direct expenditure of about $800,000, and giving employment to many hundreds of Cuban families, is contemplated on our company owned plantations. It is expected that this acreage will be further increased in 1933. This substantial contribution to Cuba's economic life is important from an agricultural and employment standpoint to Cuba and has been so recognized by the Cuban authorities."

The four companies concerned are: Henry Clay, Bock & Company, Limited, The Havana Cigar and Tobacco Factories, Limited, Havana Commercial Company and H. de Cabanas y Carbajal.

SMITH REYNOLDS KILLED

SMITH REYNOLDS, one of the heirs of the Reynolds tobacco fortune, was shot and killed at his home in Winston-Salem, N. C., on July 6th.

Mr. Reynolds was found shot on the sleeping porch of his home early on the morning of July 6th following a party in his home the previous evening. Evidence at first pointed to suicide but a coroner's jury later reached the decision that he was killed by "a party or parties unknown."

He was twenty years old and during the last three years he packed an airplane trip around the world and two marriages into his life.

Young Reynolds was one of four children who shared jointly in the estate of their father. He had an elder brother, R. J. Reynolds, Jr., known as Dick, who was reported by members of the Reynolds household to be somewhere in Europe at present. Two sisters, Mrs. Charles Babcock and Mrs. Henry Walker Bagley, both live in New York. His sisters were reported to be on their way home.

His mother, who married Edward Johnson, of Baltimore, after the death of R. J. Reynolds, Sr., died several years ago.

Smith Reynolds' personal fortune has been estimated in excess of $25,000,000. Neither he nor his brother was ever actively connected with the management of the R. J. Reynolds Tobacco Company.

His romance with Libby Holman, a Cincinnati girl, whose voice of a peculiar, husky timber caught the fancy of Broadway and lifted her to the heights of stardom, began after the collapse of an earlier marriage with Anne Cannon, daughter of a wealthy Concord (N. C.) textile manufacturer. Their marriage lasted a little more than a year. He settled a million dollars upon her and their infant daughter.

SANTAELLA HEAD IN NEW YORK

A. Santaella, head of A. Santaella & Company, Tampa manufacturers of the "Optimo" brand, left that city last week enroute for Jacksonville where he will board a boat for New York City. Mr. Santaella is accompanied by his family and they will spend the summer in the North.

MUTILATED PAGE

NATIONAL JOBBERS ASSOCIATION COMPLETED

FOLLOWING is the official report of last Saturday's jobbers' meeting in Cleveland, Ohio:

"The National Association of Tobacco Distributors" was formed as a permanent organization at a distributor's convention held at the Statler Hotel, Cleveland, Ohio, Saturday, June 25, and Sunday, June 26, 1932.

The following officers and committees were chosen:

President, C. A. Just (Peter Hauptman Tobacco Company, St. Louis, Mo.).

Vice-Presidents, E. Asbury Davis (F. A. Davis & Sons, Baltimore, Md.); E. W. Harris (Hamilton, Harris Company, Indianapolis, Ind.); Jonathan Vipond (Scranton Tobacco Company, Scranton, Pa.).

Treasurer, George Scrambling (Geo. B. Scrambling Company, Cleveland, Ohio).

Secretary, Max Jacobowitz (Hudson County Tobacco Company, Jersey City, N. J.).

Executive Committee, Joseph Kolodny (Jersey City Tobacco Company, Jersey City, N. J.); Renz Edwards (F. E. Edwards Tobacco Company, Cincinnati, Ohio); George Frings (Frings Brothers Company, Philadelphia, Pa.).

Directors, John Loughran (Daniel Loughran Company, Washington, D. C.); E. C. Dearstyne (Dearstyne Brothers Tobacco Company, Albany, N. Y.); Roy King (Roy King Tobacco Company, Flint, Mich.); Henry Gunst (Cliff-Weil Cigar Company, Richmond, Va.); Harry Kirtz (Amster-Kirtz, Incorporated, Cleveland, Ohio); A. L. Haas (Donovan, Haas Company, Buffalo, N. Y.); C. E. Watkins (Woodhouse Company, Detroit, Mich.); Vernon Fox (Nathan Fox Company, Chicago, Ill.); L. K. Block (Goldsmith-Block Company, Pittsburgh, Pa.).

The purpose of creating an association of tobacco distributors does not differ from the purpose of creating any association in any other industry.

The object of a trade association is to find constructive ways and means of improving conditions in—and eliminating the ills of—an industry.

The formation of this association and the election of its officers, executive committee and board of directors should instantly convey to everyone interested in the tobacco products industry that such an organization is of vital importance to distributor and manufacturer alike and we invite the friendly co-operation of all concerned.

The National Association of Tobacco Distributors,
Per Max Jacobowitz, Secretary.

A CORRECTION IN MANILA NEWS NOTES

In the July 1st issue of THE TOBACCO WORLD, under the heading "News of the Manila Trade," we published a statement to the effect that more than a million American-made cigarettes are now sold in the islands. Mr. Bond, of the Manila Ad Agency, has called our attention to the fact that the statement should have read: "More than a billion," and we are glad to have the opportunity to make this correction inasmuch as Mr. Bond states that this is rather important in view of the fact that American-made cigarettes have won 20 per cent. of the cigarette trade in the Philippine Islands, and that the balance of trade of tobacco products generally, and the allied industries, favors this country.

TOBACCO ASSOCIATION OF U. S. CONVENTION

THE Thirty-second Annual Convention of the Tobacco Association of the United States was held at Virginia Beach, Va., on June 30 and July 1, with a large number of tobacco dealers, manufacturers, etc., in attendance.

President A. B. Carrington, of Danville, Va., in his annual address laid the following facts before the convention:

The year 1931 will long be remembered for low prices, and complications of various sorts that affected not only the tobacco trade, but every product grown in this country. The leaf tobacco trade has suffered possibly as little as any other business, and the manufacture of tobacco is the one bright spot that has not only kept up itself, but has given encouragement to other manufacturing interests. While the farmer has received exceedingly low prices for his tobacco, yet it has probably sold better by comparison than anything else that comes out of the ground, whether it be cotton, potatoes, copper, coal, etc.

The high prices that prevailed since 1926 have produced crops that have been in excess of the demand, and there has been an overproduction of bright tobacco in the past five years, and the low prices of 1931 were in a measure the result of this overproduction.

Manufacturers are all well stocked and dealers faced such large losses in the "carry-over" from previous crops in many instances that they have not been able to get money out of the old tobacco with which to buy the new crop. This financial condition was another great obstacle to the whole situation. Entering 1931 with large surpluses, held by manufacturers as well as dealers, and facing conditions that had not existed heretofore, everyone trading in tobacco was up against a proposition that was unusually dangerous and one which had to be handled with great care.

Stocks of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,373,761,000 pounds on April 1, 1932, compared with 2,150,778,000 pounds on April 1, 1931, according to a report recently released by the Tobacco Section Bureau of Agricultural Economics, United States Department of Agriculture. Total stocks show an increase of 360,981,000 pounds during the first quarter of 1932, compared with an increase of 297,302,000 pounds during the first quarter of 1931.

Stocks of flue-cured tobacco on hand April 1, 1932, were 845,642,000 pounds, compared with 831,347,000 pounds on April 1, 1931. Flue-cured stocks were 14,295,000 pounds higher than they were a year ago on April 1. They decreased 47,456,000 pounds during the first quarter of 1932 whereas the decrease during the same period of 1931 amounted to only 37,636,000 pounds.

Burley stocks were about 135 million pounds higher on April 1 than they were a year ago. The April 1, 1932, report shows 702,834,000 pounds on hand, compared with 568,010,000 pounds on hand April 1, 1931. During the first quarter of 1932 Burley stocks increased 212,220,000 pounds, compared with an increase of 160,453,000 pounds during the same period of 1931. This increase may be accounted for by increased production in 1931, and by an apparent decline in the rate of consumption.

Foreign countries, to which a large percentage of the bright tobacco goes, were economically and financially not in position to take tobacco except at low

(Continued on Page 16)

NEVER PARCHED OR TOASTED

Switch to Camels

then leave them—if you can

IF YOU want to know the difference between a truly fresh cigarette and one that is parched or toasted, light a Camel.

As you draw in that cool, fragrant smoke notice how smooth and friendly it is to your throat. Not a hint of sting or bite. Not a trace of burn.

That is because Camels are blended from choice Turkish and mild, sun-ripened Domestic tobaccos, and are made with just the right amount of natural moisture and kept that way until delivered to the smoker by the Camel Humidor Pack.

Camels are never parched or toasted.

That's why Camels bring you so much unalloyed enjoyment. That's why they are so much milder; why they leave no cigaretty after-taste.

If you haven't tried Camels lately, get a package today and see for yourself what you are missing.

Switch over to Camels. Then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

CAMELS

Made FRESH—*Kept* FRESH

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.

ZIFFERBLATT OFF FOR EUROPE

GEORGE ZIFFERBLATT, head of George Zifferblatt & Company, manufacturers of the "Habanello" brand, will leave from New York City on Saturday on board the S. S. "Lafayette," of the French Line, for a four week's trip to Europe, and a much needed rest.

Mr. Zifferblatt will be accompanied by Mrs. Zifferblatt, and they expect to return about the middle of August.

During Mr. Zifferblatt's absence the active management of his firm will be under the able direction of George M. Lex, who is well known throughout the industry, and who recently joined the firm as secretary.

"Habanellos" are enjoying a splendid call throughout the country in the various territories where they have been placed.

ROY KING KILLED IN ACCIDENT

Word has been received at Bayuk Cigars headquarters of the death of Roy King, of the King Cigar Company, Flint, Mich., Bayuk distributors, as the result of an automobile accident.

Mr. King was well known, and liked, throughout his section of the country, and his death was a decided shock to his many friends.

PENNSYLVANIA CIGARETTE TAX UP AGAIN

The State cigarette tax bill killed in the last special session of the Pennsylvania State Legislature, was reintroduced last week in the House, during the second special session recently called to consider unemployment relief, by Representative Hermans, of Luzerne County.

The bill provides for a one cent tax on each ten cigarettes sold within the state.

"Mapacuba" cigars, product of Bayuk Cigars, Incorporated, are maintaining a pleasing demand in the various territories where they have been placed, and repeat orders are proof of their popularity among those smokers who appreciate the fine qualities of Bayuk products.

Milton Wolf, Bayuk territorial manager for Wisconsin, is making splendid progress in that region in increasing the distribution and sale of Bayuk Cigars.

UNITED LAUNCHES PIPE CAMPAIGN

LAST WEEK newspapers carried an announcement of a pipe smokers' contest, sponsored by the United Cigar Stores Company, in which $1000 in cash will be distributed as prizes for the best letter of not more than fifty words answering the query, "Why every man should smoke a pipe."

Answers must be mailed before midnight of July 23d to the United Pipe Smokers' Contest, 625 Madison Avenue, New York City.

First prize will be $150; second prize, $75; third prize, $50. There will also be thirty prizes of $10 each, and sixty-five prizes of $5 each. Winners are expected to be announced in all United Cigar Stores about August 19th or 20th.

The company also inaugurated special deals on pipes in their stores last week, offering any two $1 pipes for $1.01, or any two fifty-cent pipes for fifty-one cents.

Trade Notes

The "Monticello" brand of John Wagner & Sons is showing a steady increase in popularity in this territory.

Last week Messrs. Richland, of the Federal Advertising Agency, and Elster, factory man for the Porto Rican-American Tobacco Company, journeyed to Philadelphia for a conference with the sales force of Yahn & McDonnell Cigars, local distributors of the "El Toro" cigar, to acquaint them with plans for an aggressive advertising campaign for "El Toros" which will be inaugurated over N. B. C. radio stations on Saturday, July 30th.

The program will be featured each Saturday night from 9 to 9:30 P. M. E. D. S. T., and will feature such well-known artists as Gus Van, the Pickens Sisters and Vic Arden's orchestra.

"El Toro" cigars have been showing a nice increase in demand in this territory recently and the forthcoming radio programs are expected to make a substantial further increase in this demand.

Do you inhale?

Certainly...

7 out of 10 smokers inhale knowingly . . . the other 3 inhale unknowingly

DO you inhale? Seven out of ten smokers *know* they do. The other three inhale without realizing it. *Every* smoker breathes in some part of the smoke he or she draws out of a cigarette.

Think, then, how important it is to be certain that your cigarette smoke is pure and clean—to be sure you don't inhale certain impurities!

Do you inhale? Lucky Strike has dared to raise this much-avoided subject . . . because certain impurities concealed in even the finest, mildest tobacco leaves are removed by Luckies' famous purifying process. Luckies created that process. Only Luckies have it!

Do you inhale? More than 20,000 physicians, after Luckies had been furnished them for tests, *basing their opinions on their smoking experience,* stated that Luckies are less irritating to the throat than other cigarettes.

"It's toasted"

Your Protection—against irritation—against cough

Copr. 1932, The A.T.Co.

O. K. AMERICA—TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike features, every Tuesday, Thursday and Saturday evening over N. B. C. networks.

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

WITH Congress out of the way for four months, business and industry, until next December at least, now know just where they stand and can plan for operations under the new tax law, increased postal rates and other legislation enacted during the session which will have an effect upon commerce.

Despite the fact that it was in session more than seven months, Congress accomplished little in the way of the rehabilitation of prosperity. It did enact a tax bill from which the administration has high hopes, and provided for some reduction of Federal expenses, although considerably less than had been hoped for by the President. Congress also created the Reconstruction Finance Corporation, which again has accomplished less than was anticipated. An effort was made to revise the tariff by divesting the President of his authority under the flexible tariff provisions, but Congress was unable to enact the bill over the President's veto.

An almost continuous session of Congress during the first two years of the next administration in the event of the success of the Democratic party in the November elections would probably be required to carry out the proposals made in its behalf at the Chicago convention.

The Democratic platform and keynote speech of Senator Barkley of Kentucky, almost of equal standing, contemplate tariff revision, agricultural relief, approval of the five-day week in industry, revision of the Federal Reserve Act, restrictions upon stock market speculation and reorganization of the personnel of the Reserve banks. They would also reorganize the Government service by abolishing every useless office and every unnecessary bureau and commission.

Whether the Democrats would ever be able to carry their ambitious program to fruition is debatable, in view of the manner in which, with a clear-cut majority in the House and a practical half of the power in the Senate, they operated during the session when, without particular Republican opposition, months were required to pass the Government economy and unemployment relief bills.

Investigation of bases for the valuation of foreign merchandise for the assessment of customs duties, with a view to determining the extent to which domestic values may properly be used for the levying of such duties, is shortly to be undertaken by the United States Tariff Commission, it has been learned.

Although this survey was provided for by Congress more than two years ago, the Commission has made no move to carry out Congress' instructions, and it was only after vigorous agitation was started by the tariff group of the American Federation of Labor that any recognition was given the survey. It is understood that the matter was laid before President Hoover, who instructed the Commission to begin the investigation without further delay.

The proposal of the American Federation of Labor is that for dutiable purposes there shall be attributed to imported merchandise values applied to identical or comparable articles produced in the United States—the so-called American valuation plan.

With a deficit of $2,885,000,000, the United States Treasury on June 30 brought to a close the "reddest" fiscal year in peace-time history, in which was recorded a tremendous decrease in receipts and a heavy gain in expenditures due to the depressed condition of commerce and industry and efforts of the administration to turn the tide of business.

Every effort now is being directed toward balancing the budget, with the exception of public debt retirement, for the 1933 fiscal year and to meet a complete balance between receipts and expenditures, including a resumption of debt retirement, for the fiscal year 1934.

There is reason to believe that even though the budget remains unbalanced during the fiscal year just begun there will be a material reduction in the deficit as a result of the new tax program designed to add $1,118,500,000 to receipts.

Total receipts for the 1932 fiscal year showed a loss of approximately $1,200,000,000, while expenditures were about $800,000,000 greater than in the preceding year.

Officials, however, are not entirely pessimistic, since during the extremely depressed situation there has been no impairment of the Government's credit. All security issues of the past year were oversubscribed, and the interest on the debt has declined materially.

Organization of the Reconstruction Finance Corporation and the change of administration of the Treasury Department with the appointment of Ogden L. Mills to succeed Andrew W. Mellon were among the important features of Government financial operations for the year. Mr. Mellon became ambassador to London after having served as head of the country's finances since March, 1921.

FALL INSCRIPTION DATES ANNOUNCED

Dates of the fall inscriptions for Sumatra tobacco in Amsterdam have been announced as follows: September 16th and 30th, and October 14th.

Packed in a handy pocket pouch of heavy foil. Keeps the tobacco better and makes the price lower. Hence 10¢

a Challenge:

Others may try to imitate the Granger package but the challenge stands: The best pipe tobacco in America, regardless of price.

Just try it!

YOU CAN DEPEND ON A LIGGETT & MYERS PRODUCT

MORE FACTS FROM PHIL M. PHULOFAX

"CHANGE the dress and draw the eye," writes Phil M. Phulofax, D. B. I., in his latest message to this publication. Phulofax, whose suggestions are familiar to countless cigar retailers and who is associated with Bayuk Cigars, Incorporated, of Philadelphia sends this broadside from Littletown, U. S. A., where he is stopping on his annual transcontinental tour of tobaccodom.

"I've been talking to B. A. Wake, who owns and operates a small but busy shop with a smart show window and whose business barometer reads fair and warmer. He tells me that the good cigar selling weather which he enjoys depends upon a great many conditions. One very important factor, he considers, is a snappy, frequently changed window display. Certainly there was a steady slamming of the screen door as customers came and went while I was in his store.

"'It's an idea of my wife's', he said, 'and I've got to hand it to the little woman for knowing something about human nature. After all, didn't she choose me for a husband.

"'See here,' she told me one day after she had been sitting in the shop during my absence. 'I notice that our regular customers come in, some new ones, too, but there are others who pass the door without as much as a glance in our direction. Now we can't expect to bring them all in, but we can at least make them realize that we're here. Clothes may not make the man, but I know that when I wear a new dress, people notice me—even you do—and if something new calls attention to a woman, why not to a store. Let's give the window a new dress. It won't cost much in the way of money and the time we'll spend couldn't be used to better advantage.'

"So we put our heads together, collected materials, talked to our salesmen friends, made plans for over a week, and then early one morning trigged the window out in some new fixings—a different color in the background, different boxes, fewer of them, and a sign of my own invention. Excuse my pride when I tell you what it was:

"B. A. Winner
Smoke
B. A. Wake's
Cigars

The whole thing was simple, but it was neat, new and nobby.

"Well, sir, you'd be surprised the way folks dropped in that day. Some of them came to kid me about my sign, or remark about the new window, and while they were there they bought a cigar. You know, people get so accustomed to the same scenery day in and day out—see the same picture on the wall for years and never notice it until it's taken down—that it just doesn't register. A shop window can be just a part of the landscape, like the old hitching post at the corner, until you change its color or move things around, and I determined to make this town conscious of my store—but not by going out of business.

"That's using your head, B. A. Wake, and taking advantage of all the good suggestions that come your way is another sign that you're on your toes for results instead of down on your heels for a rest. If there were more retailers like him there would be less crepe hanging and more cheering in the cigar trade.

"How often do you change your window display? Try walking along the street some time and notice which windows attract you and why. Dealers offer displays—use them, change them often. Every little thing counts in this business of making your store a paying proposition, and not the least is the face you show to the world.

"The next stop on my trip is Bigtown and the express doesn't wait. I'm off."

PHILADELPHIA TECHNICAL SERVICE COMMITTEE OFFERS JOB CONSULTATION SERVICE TO EMPLOYERS.

THE Philadelphia Technical Service Committee by means of its job consultation service is peculiarly fitted to secure for the employer "the right man for the right job."

An analysis of the applications already submitted indicates that the 900 registrants represent a cross section of the various technical professions, wage and age groups. From among this wide range of activities represented, the committee feels sure they can meet the prospective employers' requirements. This group offers experience in 300 industries.

The work of the committee is done by volunteer workers from among the unemployed engineers who give of their time and effort without recompense. Thus, this aid to employer and employee is offered without charge to either party.

This committee has the co-operation of the Engineers Club of Philadelphia, the local sections of twelve National Engineering societies, and is associated with the State Employment Commission.

Go over your personnel requirements and call the Engineers Club of Philadelphia, located at 1317 Spruce Street, to fill that vacancy. May we take the liberty to suggest that the technical training afforded the registrants fits them for many positions not directly of an engineering nature, but closely allied, and that they would make capable assistants?

Your requirements will receive our prompt and careful attention and in entire confidence.

INTERNATIONAL CIGAR MACHINERY DIVIDEND

Directors of the International Cigar Machinery Corporation, a subsidiary of the American Machine & Foundry Company, have declared a quarterly dividend of thirty-seven and one-half cents a share, as compared with sixty-two and one-half cents a share paid previously. The dividend is payable August 1st to stockholders of record July 20th.

PHILIP MORRIS ISSUES REDUCED

Stockholders of Philip Morris Consolidated at a special meeting held recently at Richmond, Va., approved reduction in authorized $25 par 7 per cent. preferred stock to 125,000 shares and reduction in common stock to 600,000 shares of $10 par value from 1,200,000 no-par shares. One share of the new common will be exchanged for two shares of the old stock.

McKESSON & ROBBINS CLEARED

The Federal Trade Commission has issued an order dismissing its amended and supplemental complaint against McKesson & Robbins, Incorporated, served in February, which alleged that the acquisition by the corporation of fifty-two wholesale drug houses throughout the United States was an infraction of the Clayton Act. The order of dismissal was sent to the company's offices by Otis B. Johnson, secretary of the commission, McKesson & Robbins announced.

A. T. EARNINGS REACH RECORD

ACCORDING to the *Wall Street Journal*, earnings of the American Tobacco Company for the first half of 1932 will not only show an increase over the first half of 1931, but will probably be in excess of those of the last six months of last year. Such earnings would be the greatest for any six months' period in the company's history. So far this year sales of "Lucky Strike" cigarettes have shown a similar decline than the 14 per cent. drop in consumption of all cigarettes in the United States for the first five months of 1932.

That earnings so far this year should exceed those in the first six months of 1931 is not surprising. The price of $6.85 a thousand for cigarettes which on July 1st last superseded the previous price of $6.40 a thousand meant a 15 per cent. increase in the price finally obtained by the cigarette manufacturer after deduction of trade discounts and the Government tax of $3 a thousand.

During the second six months of 1931, however, the price for cigarettes was the same as that which has prevailed this year, and consumption of all cigarettes in the United States in the five months from July 1 to November 30, 1931, was more than five billion cigarettes greater than in the first five months this year. In that period last year 48,721,023,795 cigarettes were produced in the United States and in the five months ended May 31st, this year, production was only 41,337,321,107.

To increase earnings in the face of this smaller cigarette volume, the American Tobacco Company had either to increase its sales volume in various other lines or reduce expenses. This first objective has been accomplished. Sales in many of American's extensive lines have been at a higher rate this year than a year ago.

Partially assisting a reduction in expenses is lower prices for tobacco, but the saving in this respect has not been tremendous because the American buys higher quality tobacco than the average market. A more fruitful source of economy is apt to be smaller expenditures for advertising.

Last year advertising expenditures of the American reached the highest point in the company's history, such expenditures exceeding those of any other tobacco company, and probably of any other company in any line in the country.

This year there has been a trend toward lower rates in almost all types of advertising media, so that even the same volume of advertising as last year would cost considerably less. With 4,740,905 shares of common and common B stock outstanding, the savings through lower rates and possibly a slightly reduced amount of advertising might easily approach $1 a share.

The American Tobacco Company, through its subsidiary, the American Cigar Company, has substantial ownership in Henry Clay and Bock & Co., Limited, manufacturers of the Havana cigar brands "La Corona," "Bock," "Henry Clay," "Carolina" and others. These Havana factories have now been transferred to the United States.

The company is building a new plant at Trenton, N. J. Production advantages to be secured thereby include improved sanitation, efficiency and uniformity and are expected to permit of very substantial price reductions on these cigars. New retail prices likely will be approximately one-half of present quotations.

The company owns extensive plantations in the Vuelta Abajo district of Cuba and will continue the curing, processing, stripping and blending of its tobaccos in Havana under the same supervisory personnel as heretofore.

ANNOUNCE NEW STUDIES OF PRICE-CUTTING AND VOLUME

THE Eddy-Rucker Company, merchandising, sales, and advertising consultants, Harvard Square, Cambridge, Mass., announce the discovery and verification of four tables based upon their scientific pricing formula which show the fallacy and destructiveness of price-cutting in definite figures.

These tables, with the original formula, provide manufacturers, department store executives, buyers, and retailers generally with a means of learning at a glance the effect of all price-cuts and price adjustments on profit. Astonishing facts about commonly used price cuts for volume increasing purposes have been shown, as for example:

The practice of selling cigarettes at 15 cents a package or two packages for 27 cents under the impression that the added volume offsets the price cut is shown as erroneous. The two-for 27 cents offer requires an increase of 190 per cent. in dollar or unit volume to be profitable contrasted to the 80 per cent. increase actually effected.

Cutting the price of tooth paste from 50 cents to 39 cents a tube requires an increase of 49 per cent. in dollar volume to return the same gross profit in dollars.

In some instances a reduction of 15 per cent. in selling prices demands an increase in volume of 2400 per cent. to offset the price cut.

A department of a store whose average daily costs, exclusive of merchandise, are $100 with an average mark-up of 33 1/3 per cent., must increase dollar sales 43 per cent. to offset "sale" mark-downs of 10 per cent. and must increase dollar volume 198 per cent. to offset a 20 per cent. mark-down.

The Eddy-Rucker Company tables, as derived from the original formula, substitute definite figures for guesswork in a variety of everyday merchandising practices. Buyers and merchandise managers commonly feel that a price-cut or price adjustment will increase volume but few know exactly how much volume is needed to offset the price cut. The discoveries of the consultants show this in definite figures.

Many retailers in the drug, automotive, tire, grocery, and department store fields are induced to cut prices in order to meet competition. The excuse is that the competitor will take the business. This excuse is based upon guesswork—few know exactly how much business the competitor must get to justify his price cut, and, few know exactly how much volume they can afford to lose in preference to meeting this cut price. The new tables of The Eddy-Rucker Company can be made to show both in definite figures.

The result of these pricing discoveries is to give all buyers, merchandise managers, salesmen and manufacturers exact facts upon which to base judgment as to

1. When to meet price competition and when not to do so;
2. When to adjust price to a lower level, or a higher level, and when not to do so;
3. When price-cuts are causing competitors a loss;
4. How much sales volume must be gained to offset any price-cut whatever the original mark-up (the volume required varies with the mark-up);
5. The additional volume needed to justify any given additional expenditure for advertising and selling;

(*Continued on page 13*)

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

BUDGETARY CONTROL IN RETAIL STORE MANAGEMENT

(Continued from previous Issue)

Centralizing Executive Control

The third purpose of budgetary control is to centralize executive control. Delegating to subordinates the responsibility for the proper control of expenses has been known to lead to dire results. The tremendous losses (caused, to a large extent, by overpurchasing) which were taken during the last period of depression can be attributed, in part, to the lack of intelligent control of buyers' activities.

Making Forecasts and Recording Results

The fourth purpose of budgetary control is to record results, period by period, as a basis for planning future sales. The idea of forecasting is not new in management, but in the past has been to a degree unscientific. The problem of selling different kinds of goods economically is constantly arising, but one season finds the average merchant just as helpless in the face of conditions as he was the year before. He has failed to tabulate the needed facts. To be sure, in many cases the current and past statistics have been recorded, but the results of estimates—that is, the comparison of actual results with anticipated results—have not been tabulated. Volume, complexity, and a desire to place the business on a permanent basis are creating a demand for reliable records.

The establishment of quotas during the war drives and the preparation of Government budgets are now commonly recognized as constructive measures. These two examples are illustrations of the fact that the budgeting principle and, therefore, future estimates are of material value. There have been instances in which department store owners have affirmed that forecasting and budgeting for control is unnecessary, and yet they are apt unknowingly to use some or most of the principles in one form or another.

In addition to a central forecast, estimates of the various budgets should be received from those who are responsible for their fulfillment. This serves two purposes: (1) To gain the cooperation of executives and (2) to check up on the central estimates.

Division of Budget For Control

The division of the budget into constituent parts is similar to a division of the various performances of business. The offices of buying and selling were first recognized; later, as business became more complex, these functions gave rise to innumerable phases of business connected with buying and selling. So it is with the budget.

Today the necessity for a division of the main budget into a merchandise and operating budget is well recognized, while the establishment of a sales budget, the key to the accurate estimate of the others, has only recently been seen in its full importance. It has heretofore been considered very superficially in connection with the merchandise budget.

Sales budgets and merchandise budgets are distinct types. One comprises an estimate of the volume of business a store may properly expect and aims to attain, while the other is a plan for the proper control of merchandise in order to fulfill these sales expectations. The former is a quota based on a forecast of future conditions; the latter is a plan of operations for fulfilling that quota.

In order to secure the desired results the management of large stores may find it necessary to subdivide the important divisions of the main budget (merchandise, operating, and sales budgets) described above. While the individuality of minute units should be recognized, at the same time their interdependence and ultimate coordination into one controlling budget must not be overlooked.

Sales Budget

The sales budget has as its main purpose the establishment of sales quotas, based upon the estimated possibility and profitability of sales, availability of equipment and floor space, and cost of procuring sales. These estimated quotas not only establish a goal for the selling departments but give a basis for preparing the merchandise and operating budgets. A further function of the sales budget is to disclose weaknesses in the selling plan.

Sales possibilities are dependent upon market conditions, market potentialities, changes in communication or transportation facilities, change in store-management policy, and previous sales. By the use of past and present statistics of these five elements it is possible to obtain a more nearly accurate forecast. The following shows the average per cent. of accuracy of certain well-established forecasts for a period of ten years:

	Per Cent.
The various estimates of the total revenue of Secretary of the Treasury a year in advance	83.6
Wheat production	85.0
England's national budget	95.1
Actuarial mortality figures	98.0
United States Census estimates of population	99.7

This statement is given to show the degree of accuracy attained in making estimates. It is not to be expected that the average business furnishes a basis for such close forecasts.

The common errors in the observation and interpretation of facts—omissions, prejudices, and failure to see facts in their proper relations—must be guarded against, however. A clear distinction is necessary between unorganized, relatively aimless data, and those organized or purposeful statistics which are required for genuine statistical control. Above all, future operations can not properly be based entirely on the ar-

(Continued on Page 14)

"Nothing Satisfies Like A Good Cigar"

WOODEN BOXES MAKE GOOD CIGARS BETTER

"I will not change my horse with any that treads * * *." Thus speaks "Dauphin" in "Henry V." And then there is an adage about changing horses in the middle of a stream.

If ever, the cigar industry is in the middle of a stream today. It is failing to maintain comparative averages in production despite the fact that an overwhelming precentage of sales is in the lowest priced bracket.

Wooden cigar boxes have been a mark of prestige for good cigars for generations. Can the cigar industry afford to "change horses" in this critical hour? The superior merits of a natural wood container remain unchanged. Why risk the good-will of your brands by using any other than the most favorable package for your product?

AUTOKRAFT BOX CORPORATION manufactures good wooden boxes to help make good cigars better. Its factories are equipped to produce any type of wooden container to meet any requirement. Its facilities comprehend a Nation-Wide service.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

D. EMIL KLEIN EARNINGS

D. Emil Klein Company, manufacturers of the well-known "Haddon Hall," "Nottingham," "Emanelo," etc., brands, reports net income for the first six months of 1932, after taxes, depreciation, etc., of $107,580.60, which is equivalent after preferred dividends to eighty-five cents a share on the 96,190 shares of common stock outstanding.

This compares with earnings for the corresponding period of 1931 of $158,765.38, equivalent to $1.28 per share on the 99,600 shares of common then outstanding.

Current assets of the company are reported as $1,788,886 and current liabilities of $105,000.

GENERAL CIGAR DIVIDEND

Directors of the General Cigar Company, Inc., have declared the regular quarterly dividends of $1 on the common stock, payable August 1st to stock of record July 16th, and $1.75 a share on the preferred stock, payable September 1st to stock of record August 23d.

NEW STUDIES OF PRICE CUTTING

(Continued from Page 11)

6. How much any given business can afford to spend for sales promotion without reducing normal profit (the amount varies widely even for businesses in the same line).

The data and price calculations are adjustable to all lines of business, both manufacturing and retail. In addition, the data is adjustable for use of merchandise managers and buyers, sales managers, salesmen and may even be reduced to pocket-sized calculators showing at a glance the figures on volume and profit at any given mark-up and for any given price-cut or price adjustment.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City .. .. Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

RETAIL STORE PROBLEMS

(*Continued from page 12*)

bitrary judgment of the often too optimistic sales manager.

In determining the state of the market consideration must be given to the general economic situation and its effect on the particular community, to conditions in the particular industry (the basic commodities sold by the retail establishment and those which comprise the main sources of income of its clientele), and to the specific status of business in the community.

To help in gaining a clear picture of the general market there are available general business barometers and thermometers which to some extent indicate what is expected to happen in the future. Such publications as the Survey of Current Business and its accompanying weekly letters, Commerce Reports, and the Federal Reserve Bulletin, as well as the bulletins of many private statistical service organizations, give data which are valuable in establishing the exact character of the present and in preparing estimates of the future.

Knowledge of the past experience or history of the action of business under varying circumstances is of the utmost importance in determining what the future may hold in store. Given a certain set of conditions, certain definite events can usually be expected to take place.

Next, the outlook of the particular industry or industries should be considered. For example, the income of a town may depend upon the activities of the cotton mills, shoe factories, steel mills, particular agricultural crops, and the like. Sales possibilities are dependent upon the ability and willingness of the population to buy. Income determines the ability; characteristics of the community determine the willingness.

The execution of the forecast demands that the sources of income of the store be classified into basic industrial groups. This is necessary because in the recurring cycle of general business depression—revival, prosperity, financial stress, industrial crisis, and back again to business depression—all industries and all communities are not equally or simultaneously affected. In addition to these independent variations of industries and communities, a special act of a governmental body or individual may cause the particular community to swing out of the line established by the regular indicators.

Besides the above, however, it is necessary to consider the possibilities of the whole trade area. The analysis of the market's possibilities should include not only the immediate community but the contributing territories, both direct and by mail. Although the latter class may be so small that it will not warrant an elaborate analysis, it should receive attention proportionate to its buying power.

To accomplish this analysis the classification of population is essential. The exact classification is a matter of specific requirements. An example of a division is as follows: Age groups; relative demands for styles and staples; number of families; and income of families. The possibilities of a classification of this nature are apparent. The Department of Commerce and a number of private organizations have done considerable work in this connection.[1]

The status of competition is another factor in determining market potentialities. Increasing or decreasing strength of competitors, the stratum or strata of the community which they tap, the services which they perform, and similar data concerning competitors can be collected and analyzed. Not only should merchants who carry the same commodities be considered as competitors, but also those who carry products which may be substituted. For example, the radio dealer is in competition with the phonograph dealer as surely as is another dealer in phonographs.

Other considerations which may influence the estimate of sales are the alterations or variations in the transportation facilities. A change to elevated or subway and the construction or discontinuance of surface or interurban car service may mean an increase or decrease in sales. Similarly, the establishment or discontinuance of interurban or local bus systems may have a favorable or unfavorable influence on sales possibilities. The automobile is an exceptionally important consideration when shopping service is essential to the success of the merchant. The significance of such factors as the number of machines and the parking facilities available is readily apparent.

Changes in means of communication also have their effect. Telephone and delivery service and the mail-order business possibilities certainly should not be overlooked.

Any contemplated change in the store's management policy regarding credit, type sales, advertising, addition of new lines or dropping of old lines, prices, and terms of credit obviously will have a direct influence upon the sales forecast.

Merchandise Budget

The purpose of the merchandise budget is to establish scientific merchandise control and to contribute information for use in the preparation of the operating budget. Stock control has been defined as a control which deals with the planning of merchandise activities, both "to outline the relationship between buying stock and to insure ample supply of merchandise to meet selling needs." The budget helps the merchandise manager to perform the task of bringing about the most advantageous proportion between sales, stocks, and margin, and the maintaining of the proper relation between estimated future sales and purchases.

The difference in the nature of style and staple goods, which is reflected when purchases are to be planned, is so great that a division upon this basis is essential.

Planning of staple-goods purchase will be considered first. The purchase plan for staple commodities is the resultant of the several forces—planned sales, the beginning inventory, normal inventory, inventory desired at end of the period, turnover considered possible and desirable to obtain, and length of period of delivery from the source of supply.

The relative amounts of each size, quality, and brand into which the sales quotas should be divided must be established. An analysis of previous sales and any market events which may change any of these logically constitutes the basis for determining the percentage of one size or brand to the total stock of that commodity or to the total inventory for the particular period.

There is a certain normal growth or decline known as secular trend, recognizable in a business from year to year. Annual figures only are necessary for this analysis. The secular trend of a business is said to be either up or down according as it registers a continual increase or decrease in volume. This steady change is such as would be caused by advancement in the arts, cumulative effect of advertising, increase or decrease in population, and so forth.

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[1] See Domestic Commerce Series No. 1, Commercial Survey of the Philadelphia Marketing Area. This monograph can be obtained from the Superintendent of Documents, Government Printing Office. Price, 20 cents.

"Old Gold Announces Contest Winners"

ON JULY 6TH the P. Lorillard Company, manufacturers of the "Old Gold" cigarette, announced the names of the winners in the recent contest offering a number of cash prizes for the best answers to the question "Why Old Gold cigarettes are so popular"? The prize-winners are as follows:

FIRST PRIZE—$20,000

J. F. TUOHY, JR., 326 South Union St., Olean, N. Y.

SECOND PRIZE—$5,000

DAVID J. MILLER, 4725 Easton Ave., St. Louis, Mo.

FIVE PRIZES OF $500 EACH

MRS. B. GRIFFITH, Wisner, Neb.
C. H. W. WHITAKER, 63 Orlo Ave., East Providence, R. I.
G. J. ERNST, 3600 Flagler St., Miami, Fla.
JERRY HURLEY, Scio, N. Y.
REV. J. M. MURRAY, De Paul University, Chicago, Ill.

100 PRIZES OF $100 EACH

Ernest E. Avery, Stuttgart, Ark.
David A. Balch, Blauvelt, N. Y.
Snyder Bane, Kearneysville, W. Va.
Wm. E. Barnard, D. D. S., 475 Fifth Ave., N. Y. C.
W. W. Beebee, Lansdowne, Pa.
R. L. Bibeau, 26 W. 27th St., N. Y. C.
Irving H. Brazelton, Belmont Rd., Washington, D. C.
Frederic F. Breene, Portland, Me.
John W. Brennan, 170 Summer St., Boston, Mass.
Hattie Jane Brown, R. D. 1, Painesville, Ohio.
Louis V. Brueggemann, Warwick Rd., Detroit, Mich.
Margaret Shepard Bryan, New Bern, N. C.
G. L. Bullen, National City, Calif.
V. Ruth Campbell, Yazoo City, Miss.
Eli Ciner, 954 E. 15th St., Brooklyn, N. Y.
Gertrude D. Colgan, 201 Ocean Ave., Brooklyn, N. Y.
Shirley Connell, Santa Monica, Calif.
Raymond F. Coxe, Gloucester City, N. J.
H. O. Crist, Cleveland, Ohio.
Wm. C. Dabney, M. D., Atlanta, Ga.
B. M. Davis, 317 S. Oak St., Oxford, Ohio.
Miss Lonnelle Davison, Washington, D. C.
Mrs. Philip O. Deitsch, Bronxville, N. Y.
Edward A. Drew, Bridgeport, Conn.
A. L. Duhig, Cheyenne, Wyo.
William Felker, Ardmore, Okla.
Joseph J. Filemyr, Philadelphia, Pa.
J. Franklin Fishburn, Wheatridge, Colo.
Arthur O. Friel, Brooklyn, N. Y.
Sam Glasser, San Antonio, Tex.
Fannie B. Geist, Colorado Springs, Colo.
Patrick Bette Gerety, Brooklyn, N. Y.
Carroll W. Griffin, New Brunswick, N. J.
J. Frank Grimet, Huntington, W. Va.
Esther Mae Gulliver, Upper Darby, Pa.
Mary Taylor Hallom, Dallas, Tex.
Charles D. Hale, Seattle, Wash.
N. E. Hampton, Hobbs, N. M.
Lieut. (JG) W. E. Hank, U. S. N., U. S. S. Chester.
Stuart F. Heinritz, Yonkers, N. Y.
Fred K. Hodges, Syracuse, N. Y.
Tom L. Holcombe, Shreveport, La.
Warren F. Hooper, Henniker, N. H.
Frances M. Howard, Middletown, R. I.
Austin Hughes, Snyder, Okla.
B. P. Johnson, Witherbee, N. Y.
Stanford F. Jones, Jamestown, N. Y.
Earl Jordon, Route I, Morgan, Ky.
A. H. Karwath, Davenport, Iowa.
Robt. W. Kennedy, M. D., Marshall, Mo.
S. L. Ketchum, Newport News, Va.
Fred J. Kingan, Denver, Colo.
Dr. Arthur Klawans, Chicago, Ill.
C. G. Krahm, St. Louis, Mo.
Kathleen V. Lee, Chicago, Ill.
Beatrice Light, Omaha, Neb.
R. M. Lloyd, Glenside, Pa.
E. A. MacDougall, Belmont, Mass.
Lloyd H. MacMorran, Los Angeles, Calif.
Lilas H. MacLane, 245 E. 36th St., N. Y. C.
J. B. McConnaughy, M. D., New Kensington, Pa.
James F. McCraith, 24 Cobden St., Boston, Mass.
Nelta C. McGee, Houston, Tex.
Miss Adeline Mendelsohn, 1736 W. 13th St., Brooklyn, N. Y.
Maguerita H. Miller, Santa Monica, Calif.
Marguerita H. Miller, Santa Monica, Calif.
Achsah Jane Parker, Adrian, Mich.
Milton A. Plantin, Minneapolis, Minn.
Betty Power, Baltimore, Md.
B. H. Quillen, Gate City, Va.
Mrs. H. C. Ransley, Appleton, Wis.
H. C. Raiber, Pittsburgh, Pa.
Willis Richardson, Inkom, Idaho.
Charles A. Root, Jr., Greensboro, N. C.
Noah Rouse, M. D., Carson City, Nev.
Emilio H. Rovelli, Hartford, Conn.
Rev. V. A. Rule, Edgewood, Pittsburgh, Pa.
Frank Rick, 612 Delta Ave., Cincinnati, Ohio.
Tom Riggs, Decatur, Ill.
R. L. Saffelle, D. D. S., North Emporia, Va.
A. Sanders, Sioux Falls, S. D.
William Schwartz, 601 W. 184th St., N. Y. C.
V. R. Scott, Beaver, Pa.
R. W. Serviss, Palo Alto, Calif.
Mrs. George E. Sladek, Indianapolis, Ind.
Richard B. Smith, Honesdale, Pa.
George R. Speer, Hoboken, N. J.
Lillian Starr, Cohoes, N. Y.
H. B. Stoneham, Navasota, Tex.
Hugh M. Sutton, Jr., Pompano, Fla.
S. A. Switzer, 130 High St., Oxford, Ohio.
Florence B. Telfer, Berkeley, Calif.
A. R. Thayer, St. Paul, Minn.
J. G. Thomas, Pittsburgh, Pa.
Eleanor, Thomson, Rye, N. Y.
Arthur L. Tribe, Portland, Ore.
W. A. Vedder, Fond du Lac, Wis.
Douglas W. Ward, Waterloo, Iowa.
C. C. Wilcox, Highland Park, Mich.
F. A. Wilson, Jr., Leslie, Ga.

To each and every one who took part in the OLD GOLD Contest, we extend our sincere thanks and deep appreciation.

P. LORILLARD COMPANY, INCORPORATED.

TOBACCO NOT CANCER CAUSE

ON JULY 11th the possibility that mustard gas may prove to be a cure or preventive for cancer was announced in London by the Marquess of Reading in presenting a report at the ninth annual meeting of the British Empire Cancer Campaign at the House of Lords. The Duke of York presided.

The report said that mustard gas seemed to possess power to retard the appearance of cancer, adding that it was now established that a .05 solution of mustard gas applied to the skin of mice entirely prevented the appearance of tumors. The conclusion suggested was that mustard gas exerted a biological effect on body cells whereby, in some unknown manner, the effects of cancer-producing substances were counteracted.

Mice Tobacco-Tarred

The report stated that the conclusion, after further extensive investigation into the relationship between smoking and the production of cancer, was that smoking played little or no part in causing cancer. Tars distilled from various kinds of tobacco extracted from wooden and clay pipes were applied to mice, and out of a large number so treated only one developed cancer. It was deemed probable that this isolated case was not connected with the tobacco tar.

Trade Notes

The new "Blunt" size of the "Royalist" cigar, recently placed on the market by Grabosky Brothers, Incorporated, North Second Street, manufacturers, is meeting with a pleasing demand, and a nice volume of orders is being received at headquarters to keep the factory operating at near capacity.

George Stocking, Arango y Arango representative, stopped over in Philadelphia last week to see how the demand on "Don Sebastian" cigars was holding up. He received pleasing news from the Wagner house, local distributors, and also reported his brands going good in other parts of the country.

Ben Lumley, representing the F. W. Sommerfeld Cigar Company, Miami, manufacturers of "Dulce" and "Verdi," and also the "Garcia and Vega" factory, Tampa, has been spending the past week in Philadelphia visiting the trade and reports a good business on these high quality brands.

TOBACCO ASSOCIATION CONVENTION

(Continued from page 4)

prices, and this also had a decided effect upon the prices at which the 1931 crop sold.

I think one thing that is largely overlooked by the producers of tobacco is the fact that of recent years large quantities of tobacco have been raised in other countries, some countries in particular being so successful in some types as to almost eliminate them as purchasers of tobacco in this country. It is perhaps not quite fully realized by the producers in this country to what extent the raising of tobacco has grown in other countries, and any attempt to force prices of any grade beyond certain limits results in American tobaccos being cut off, and tobaccos from other countries being used, with the ultimate result that stocks of tobacco accumulated in this country have a tendency to lower prices, until prices reach the point where they can again become competitive in the world's markets.

A list of the pricipal tobacco-producing countries of the world, showing the approximate quantity grown in each country, is herewith attached and made a part of this report.

It must be remembered that thousands of pounds of common tobacco brought to market were rejected without receiving a bid, and the figures for 1931 would have been very much larger, and the average lower, if all the tobacco brought to market had been sold.

The high average of 1926 produced a larger crop in 1927, and so on down to the culmination of low prices in 1931 with even a smaller crop than previous years. This declining market made the way of the dealer in tobacco very hazardous. Any stocks carried over from one year to a lower priced year means a loss, and a decided reduction in inventory price at the end of the fiscal year.

It is now quite evident that the crop of 1932 will be a small crop. Nature and present-day conditions have taken a hand in this matter, and I think it will ultimately result in benefit to the entire tobacco trade.

I feel quite certain that many of our legislators, accustomed as they have been in the past to thinking that American-grown tobacco dominated the markets of the world, do not yet fully realize the fierce competition that many of our grades are having with foreign-grown tobacco, yet it is now a very potent factor that can no longer be disregarded. Wherever we have erected tariff barriers against shipment of products of other countries to this country a barrier has been raised by the country affected that has had a very decided effect upon the use of American tobacco in foreign countries.

Very few people in the tobacco trade fully realize the great pioneer work that has been done in the past by men of vision who went out in search of markets of the world. Foreign consumption of the American cigarette has grown to such an extent as to cause the present large stocks of bright tobacco and other types grown in this country to usually find ready outlet and a reasonable market. Had not this pioneer work been done by men of large vision and plenty of available capital, one-half of the present tobacco crop would satisfy the present needs. Our growers of tobacco should know more about this and the effect it has had in enabling them to find a ready market for their tobacco crops. Therefore the producer of bright cigarette and other grades of tobacco, although he does not know it, owes a debt of gratitude to the pioneer tobacco dealers and manufacturers in the United States who found markets in China, India and the rest of the world, making a market that we would not have had without this effort and outlay of capital on their part.

One of the most dominant factors in retarding the export of American-grown tobacco now is the action of the British Government in making a differential duty on tobacco grown within the confines of the British Empire.

The present government has a differential in duty of two shillings, or forty-eight cents, per pound in favor of Empire-grown tobaccos, and in order to stabilize the growth of this tobacco they have guaranteed that this differential will continue. They are now raising in parts of the British Empire very good tobacco that is taking the place of many grades formerly sold by American dealers, and this trade is increasing in Great Britain to the detriment of our trade with that country. This applies more particularly to the cheaper and commoner grades of semi-bright and dark, but lately some of the countries of the British Empire are raising high class, bright tobacco that comes in competition with our high class cigarette types.

This is a strong argument that the farmer should raise only what he can make into a good and merchantable article, and absolutely get away from the old rule of trying to make up in quantity what he might finally lack in quality.

There has been a movement in the State of North Carolina, inaugurated by the present Governor, which is known as "Live at Home" program. This advises the people of that section to raise what they eat, and with their surplus time and energy to raise tobacco and cotton for sale. How far this movement will extend I do not know, but it is a movement in the right direction, and if the farmer will carry this out and only plant as much tobacco as he can take care of, and make this of fine quality, and live more largely at home, the farmers in the tobacco section will be in much better shape in the years to come than they were in the year 1931.

The principal speaker at the annual banquet was John H. Miller, Jr., of Richmond, president of the First and Merchants' National Bank.

Among those in attendance at the convention was B. D. Hill, of Washington, chief of the tobacco division of the Bureau of Foreign and Domestic Commerce, and Joseph J. Skorup, Jr., director of the Norfolk office of the bureau.

Tobacco market opening dates were set by the convention as follows: South Carolina, August 18; Eastern North Carolina, September 6; Middle Belt, September 27; Old Belt, October 4, and Dark Virginia Belt, November 15.

All officers of the Association were re-elected as follows:

A. B. Carrington, Danville, Va., president; W. T. Clark, Wilson, N. C., vice-president; E. J. O'Brien, Louisville, Ky., vice-president; J. A. Clark, Bedford, Va., vice-president; M. E. Oliver, secretary and treasurer, and T. M. Carrington, chairman of the board.

EMPIRE BOOK MATCH IN BANKRUPTCY

An involuntary petition in bankruptcy has been filed in New York against the Empire Book Match Corporation, of Brooklyn.

The petitioners are Abraham Harris, $2,437.70; Gaetjens, Berger & Wirth, Incorporated, $330.60, and the Standard Corrugated Case Corporation, $185.

THREE YEARS TO MAKE CIGARETTE

IT TAKES more than three years to make a good cigarette although it takes only a few minutes to smoke it, according to the American Tobacco Company. Several years are required to assemble, age and mellow the fine tobaccos which smokers demand in a really popular cigarette. These tobaccos are gathered from the great tobacco markets throughout the world, and their proper handling alone is an art in itself. After the tobaccos are thoroughly aged the actual manufacturing begins, during which certain impurities are removed by the toasting process including the use of ultra violet rays. Inspection is continuous throughout the manufacturing process. To give unvarying uniformity tobaccos of three or more successive seasons are used so that the smoker enjoying his cigarette is actually drawing upon a small portion of three crops of tobacco. It is doubtful if any other product as inexpensive as the cigarette has as much care lavished upon it.

VACATION OFFER ON "OLD GOLD"

The P. Lorillard Company has announced to the trade a vacation offer on their "Old Gold" cigarettes as follows:

"Old Gold" cigarettes 50s are now packed in cardboard boxes, and in shipping containers of 6-M cigarettes. We have discontinued the use of flat tins and velour boxes.

Effective July 5, 1932, and until otherwise informed, each one thousand (1-M) "Old Gold" cigarettes 50s flat packages, will be invoiced as 850 cigarettes, at $6.85 per M cigarettes, less a trade discount of 10 per cent. deducted from the face of the invoice, and a cash discount of 2 per cent. if paid within ten days, but subject to no other allowances or discounts.

All orders are subject to acceptance by our New York office, and if accepted will be filled at prices ruling on day of shipment.

No representative or employee of this company has authority to change any circular, letter or price list issued by this company.

RECEIVERSHIP ASKED FOR CAMCO

A receivership suit was filed in Chancery Court, Wilmington, Del., last week by Saul Erlich of Newark, N. J., against the Consolidated Automatic Merchandising Corporation, which operates about 80,000 weighing and vending machines in drug and cigar stores in various sections of the country. The complainant stated he was a creditor in the amount of $1030. The bill alleged the concern is insolvent, cannot meet maturing obligations and cannot continue in business without the appointment of receivers.

The company was incorporated in Delaware on May 29, 1928, according to the bill, under the auspices of the United Cigar Stores Company of America and others to merge several large companies engaged in the business of manufacturing and distributing automatic vending machines.

EXCHANGE BUFFET EARNINGS

The Exchange Buffet Corporation, operating restaurants and cigar stands, reports for the year ended April 30, 1932, net profit of $88,850 after depreciation, interest, Federal taxes, etc., equivalent to thirty-five cents a share on 250,000 no par common shares of capital stock, including shares acquired for resale to employees. This compares with $411,440, or $1.84 a common share in the preceding fiscal year.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

F. E. WAYNE SUCCEEDS PEASLEE

The American Tobacco Company has announced the appointment of F. E. Wayne, formerly field sales manager for the company's forces on the Pacific Coast to succeed the late O. W. Peaslee, as vice-president and general manager of the company's organization in that territory.

Mr. Wayne is well known throughout that territory having been associated with the American Tobacco Company for a number of years and having shown remarkable ability as a sales promotion man.

Before being stationed in the Pacific Coast Territory, Mr. Wayne had acted as division manager in St. Louis for sometime, and prior to that time he had been field sales manager in the same city.

AMERICAN MACHINE & FOUNDRY DIVIDEND DIVIDEND

Directors of the American Machine and Foundry Company have ordered a quarterly dividend of twenty cents a share on the common stock of the company, as compared with thirty-five cents paid previously. The dividend is payable August 1st to stock of record July 20.

Barton Lemlein, of M. Sachs & Company, New York City cigar manufacturers, was a visitor at John Wagner & Sons headquarters last week. M. Sachs & Company are the manufacturers of the popular "Wagner" brand of cigars, which are enjoying a splendid call in the better class clubs and hotels in and around Philadelphia.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

DUANE:—46,051. For all tobacco products. May 2, 1932. D. Emil Klein Co., Inc., New York, N. Y.

TRANSFERS

WILLIAM J. DUANE:—26,356 (Tobacco Leaf). For cigars, cheroots, cigarettes and tobacco. Registered October 26, 1903, by O. L. Schwencke Litho. Co., Brooklyn, N. Y. Transferred by American Colortype Co., New York, N. Y., successors to original registrants, to D. Emil Klein Co., Inc., New York, N. Y., May 23, 1932.

PETER PAN:—31,460 (Trade-Mark Record). For cigars, cigarettes, cheroots and tobacco. Registered October 18, 1905, by S. R. Moss, Lancaster, Pa. Through mesne transfers acquired by John F. Grill, Evansville, Ind., and re-transferred to the Sun-Ray Cigar Co., Dallastown, Pa., June 15, 1932.

FLOR DE AVALON:—27,312 (U. S. Tobacco Journal). For cigars, cigarettes and cheroots. Registered June 10, 1903, by The Calvert Litho. Co., Chicago, Ill. Transferred to American Box Supply Co., Detroit, Mich., and re-transferred to Federal Cigar Co., Red Lion, Pa., June 27, 1932.

TAMPA PRODUCTION HOLDING WELL

Although June, 1932, production of the Tampa cigar factories shows a decline as compared with the same month of 1931, the figures disclose a healthy business on Tampa cigars in view of present conditions.

June, 1932, production was 30,745,000 cigars as compared with 39,990,000 for the same month of 1931, but is an increase of approximately 1,500,000 over the May, 1932, production figures.

The June production by classes was as follows: Class A—15,832,000; Class B—280,500; Class C—10,873,000; Class D—3,722,000, and Class E—35,000.

1933 PACKAGING EXPOSITION

The American Management Association has announced the dates for their third annual packaging exposition which will be held in the Hotel Pennsylvania, New York City, on March 7 to 10, 1933.

A succession of daily conferences and clinics dealing with consumer packaging, marketing, packing and shipping will be held in conjunction with the exposition.

BURKART RESIGNS FROM W. D. C.

Last week it was announced that John Burkart, who had been head salesman in the William Demuth & Company offices in New York, covering the trade in the Metropolitan area and adjacent territory, had resigned from that company. He has been associated with the W. D. C. for more than twenty-three years.

LOUISIANA CHAIN TAX BILL SIGNED

The recently enacted chain store tax bill in the State of Louisiana was signed by Governor Oscar K. Allen last week, thus leaving a graduated tax on chain store organizations doing business in that State. The bill provides a license tax of $15 minimum and ranges up to $200 for each unit in the chain in excess of fifty.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

The fact that the secular trend of an individual store or particular type of store may change from time to time must be recognized. That is, it may be increasing 10 per cent. a year, then may drop to 5 per cent. for a while, and may then even decline from that point; but the momentum of an organization can be depended upon to warrant the extension of a secular trend for a short period into the future.

Another element in the sales figure is known as seasonal variation. This is the normal percentage of change from month to month within the year; for example, December has a larger volume of sales than July of the same year. It is possible to establish a normal percentage by which December sales will exceed July, August, September, or any given month.

The influence of so-called cycles and abnormal fluctuations, with changes in communicating facilities and store-management policies, have been considered in the determination of expected market conditions and in making an analysis of the market.

The forecast is made by projecting into a definite period in the future the sales that might normally be expected, in the light of past experience, and then modifying the data in accordance with the results of the other previously mentioned factors.

If it is desired to establish individual salesmen's quotas, the past records, standards in the industry, and price levels should be used in determining what should be expected of each salesman.

Obviously, the inventory at the beginning must also be classified into size, quality, and brand. It may be necessary to start by merely planning the purchases by departments, then by subdivisions of departments, and, finally, the stage of purchases by individual items may be reached.

The ideal merchandising plan as far as profits for one year are concerned might be to have all goods completely sold out at the end of the season. However, this is not feasible. There must be enough stock to provide for selection and to guarantee "ample" supply. The degree of accuracy with which the sales budget can be computed, coupled with past experience, gives the basis for determining what this carry-over should be. The detrimental effect of a short stock upon good will in the case of staple goods is evident.

There are in use three common methods of obtaining an inventory, namely, perpetual, estimated, and physical.[2] The use of the first makes possible the obtaining of much useful information in the operation of a budget. Besides the actual record of the minute merchandise classification stated above, the record of when the particular article was first ordered, of prices exchanged or credited, according to size, etc., and other information found desirable in order properly to control buying, is with small additional effort recorded when this system of accounting procedure is in use.

The effect of a rapid turnover of stock is to decrease the amount of goods which must be on hand at any one time in order to fulfill a certain sales program. In order to determine what this rate of turnover should be, past experience, standards of the trade, market conditions, and the increased needs of the public and the store must be carefully considered. This is an important factor in the computation of what the normal stock should be.

[2] There are two different methods of computing the inventory in common use: (1) The retail method, and (2) the cost method; but this is obviously not the important consideration in this connection.

(*To be continued*)

VOLUME 52

THE TOBACCO WORLD

No. 12

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MURIEL CIGAR

2 for 25¢ Size
NOW 10¢
Made by Machine... 100% Clean
MADE BY P. LORILLARD CO.

automatic
machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS
Get all the facts now on automatic merchandizing.
Write for a sample copy
THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"

Manufactured by **A. SANTAELLA & CO.**
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

Fashion Note for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 **THE TOBACCO WORLD** Number 12

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
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$2.00 a Year PHILADELPHIA, JUNE 15, 1932 Foreign $3.50

TOBACCO TRADE CONFERENCE CHARTERED

SUPREME Court Justice Phoenix Ingraham, sitting in the Supreme Court, New York County, approved the certificate of incorporation of the Tobacco Trade Conference, Incorporated, under the membership corporations law of the State of New York. The completion of the incorporation, involving the filing of the papers in the Department of State in Albany, is now being consummated.

The following are members of the organization committee, who brought about this incorporation:

Morris Baum, Director Independent Retail Tobacconists' Association;

Max Berliner, treasurer, Tobacco Salesmen's Association of America;

Irving Berkman, member, Independent Retail Tobacconists' Association;

Horace R. Daniels, member, Brooklyn Merchants' & Salesmen's Club;

Joseph Freeman, former president, Tobacco Salesmen's Association of America;

Herman J. Goldwater, president, Tobacco Salesmen's Association of America;

M. Gordon, vice-president, Silver Ring Stores, Incorporated;

Nathan Jelling, member, Independent Retail Tobacconists' Association;

Michael Kohen, president, Independent Retail Tobacconists' Association;

Ben L. Laschow, vice-president, Tobacco Salesmen's Association of America;

Jonas J. Ollendorff, chairman, board of directors, and former president, Tobacco Salesmen's Association of America;

Jesse G. Powell, senior past president, Tobacco Salesmen's Association of America;

Joseph Saremsky, director, Silver Ring Stores, Incorporated;

Harry Sternberg, president, Newark Tobacco Salesmen's Association;

Morris Weinstein, president, Tobacco Salesmen's Association of America.

The following were nominated as officers, to serve until the next annual meeting: President, Mr. Goldwater; vice-president, Mr. Laschow; secretary, Mr. Ollendorff; treasurer, Mr. Weinstein.

The legal matters, relating to the incorporation, were supervised by Benjamin C. Ribman, of 29 Broadway, New York.

The purposes of the Tobacco Trade Conference as outlined in the certificate of incorporation are as follows:

"Fostering of trade and commerce in connection with tobacco and tobacco products, and the interest of those engaged in the trade of selling tobacco and tobacco products at wholesale or retail, and of those hav-

(Continued on Page 16)

MATCH COMPANY ASSETS FOUND

THE first important asset of the International Match Company was uncovered on June 1st in New York when Referee Oscar W. Ehrhorn disclosed the existence of serial notes on the Turkish Government with a face value of $14,255,000.

He appointed the Irving Trust Company as sole trustee to negotiate a settlement with Turkish officials whereby the notes would be taken over. James N. Rosenberg, counsel, termed the development the "most constructive" yet in liquidating the match company's affairs.

The notes represent part of an issue with a face value of $17,500,000 which were taken up by the American-Turkish Investment Corporation, an International Match subsidiary, in connection with the granting of a Turkish match concession to the late Ivar Kreuger.

Referee Ehrhorn also authorized Rosenberg to initiate a suit to regain 350,000 shares of the Diamond Match Company, which are held by four banks as collateral for a loan of $4,000,000 to International Match.

It was further disclosed that a number of safety-deposit boxes held by Kreuger had been discovered in New Jersey and that action would be taken to open them in the hope that further assets might be found.

Summonses were served on Monday upon Lee, Higginson & Company and the Guaranty Company of New York, who participated in the original sale of $50,000,000 International Match Corporation bonds in this country, to see if either or both are liable for losses suffered by investors.

The action was brought by Mrs. Florence Bramson, of New York City, through the law firm of House, Holthusen & McCloskey. Mrs. Bramson claims that she purchased a $5000 par value ten-year 5 per cent. convertible gold debenture bond of the International Match Corporation on January 27, 1931, paying $4808. She asks that the original sum advanced be returned to her by the bankers.

The action, which will serve as a test case involving the entire $50,000,000 flotation and whether the underwriting houses can be forced to return that amount to the buyers, was instituted in the Supreme Court of New York. Papers were served on Jerome D. Green, a partner of Lee, Higginson & Company, and on W. Ripley Nelson, secretary of the Guaranty Company of New York, which is the investment affiliate of the Guaranty Trust Company.

In bringing her suit, Mrs. Bramson states that she bought the bond from the Guaranty Company. She is suing both the Guaranty Company and Lee, Higginson & Company, the sponsoring house for the issue, in an alternative action, leaving it to the discretion of the Court to decide which if either of the two institutions may be held responsible.

(Continued on Page 16)

MIDLAND CIGAR CORPORATION ORGANIZED

THE Midland Cigar Corporation has been organized under the laws of the State of Delaware, with authorized capitalization of $100,000, and the factory will be located in Detroit, Mich.

Officers of the corporation are Bart F. Van Huystee, president and general manager; William R. Jacob, vice-president and production manager, and H. W. Sterling, secretary-treasurer and credit manager.

The officers of the corporation are well known in the business world with wide executive experience.

Bart F. Van Huystee, president, is a former foreman with the General Cigar Company, Webster Cigar Company, Deisel-Wemmer-Gilbert Corporation and the Tegge Jackman Cigar Company. He is a university graduate in business administration and economics, and is considered an authority in efficient cigar manufacturing.

Mr. Jacob is a former executive of the San Telmo Cigar Company, in charge of fourteen plants and warehouses as production and leaf tobacco manager. He is well known throughout the tobacco industry and considered by many as one of the best leaf experts in the industry.

TOBACCO TAX SHELVED IN NEW JERSEY

The proposed sales tax in the State of New Jersey, which would have included tobacco products, has been abandoned by agreement between political leaders in the State and other means have been adopted to raise the necessary funds for unemployment relief.

Senator Emerson L. Richards, Republican leader in the State Legislature, made the announcement before an audience which thronged the assembly chamber to protest against the proposed sales tax.

Mr. Richards also made it clear that while the sales tax had been abandoned for the present, and it was hoped further consideration of the measure would not be necessary, such a step was still possible in the future if the other means of financing failed to materialize.

Instead of the sales tax the legislature proposes to strike an item of $4,000,000 from the appropriations bill granting that sum to the State teachers' pension fund, and to divert $10,000,000 from the sale of the Camden-Philadelphia bridge bonds. Also New Jersey voters will be asked to sanction at the November election the diversion of $20,000,000 already appropriated for road construction within the State.

NEW SIZE FOR "ROYALIST"

Grabosky Brothers, Incorporated, manufacturers of the "Royalist" cigar, have added a new size to their already popular line, in the Blunt shape, to retail at ten cents, and to work along with the Earl size, also a ten-cent seller. The "Royalist" factory continues to operate with a good volume of orders and they are well satisfied with the sales volume which they are obtaining.

TAMPA MAY PRODUCTION DOWN

Production of cigars for the month of May showed a sharp decline in the Tampa factories, with 29,182,212 cigars produced, a decline of more than 29 per cent. as compared with the May, 1931, figures.

Production by classes was as follows: Class A—15,533,947; Class B—353,819; Class C—9,988,050; Class D—3,278,971, and Class E—27,425.

PLAN TOBACCO GRADING FOR 1932-1933

PLANS for Federal-State tobacco grading service at auction markets the coming marketing season are being formulated by the United States Department of Agriculture.

The tobacco grading service at Eastern markets heretofore has been furnished only where the grower paid a fee of five to ten cents per 100 pounds to have his tobacco officially graded and certified previous to sale. Change from this procedure was put into operation as an experiment on certain markets in Kentucky and Tennessee last December and the results have been so satisfactory that the new method has been adopted in place of the old. Under this new procedure, tobacco grading service is furnished where the warehouseman agrees to have all tobacco graded at a flat rate per hundred pounds.

Department officials believe that in most markets tobacco grading service can be supplied at materially less cost when all the tobacco is graded. The advantages found in this procedure are that the graders are kept fully occupied, thus reducing the cost per hundred pounds for grading service, and buyers more quickly become familiar with the standard grades. It has been found that the grading service is much more effective in serving the interests of farmers and the tobacco trade under these conditions.

NEW EXCISE TAXES IN EFFECT JUNE 21

While the recently passed Federal tax bill does not place any additional taxes on tobacco products, it effects many items now sold by retail tobacconists as follows:

Matches—wood—two cents a thousand; matches—paper—one-half cent a thousand.

Candy—2 per cent.

Chewing gum—2 per cent.

Perfumes, toilet preparations and cosmetics—10 per cent.

Tooth paste, dentifrices, mouth washes, toilet soaps—5 per cent.

Soft drinks—various rates.

Sporting goods and cameras—10 per cent.

The excise taxes are levied upon manufacturers and mostly become effective on sales made on and after June 21 and until June 30, 1934, but it is anticipated, and permissible, that the tax be passed on to the consumer.

FIRMS REGISTERED

Last week the following firms were registered, by persons doing business under other names, in the Common Pleas Court:

Frank J. Kuhn, 408 West Tabor Road: Frank Kuhn, Jr., 503 Warring Road; John F. Kuhn, Jenkintown, Pa., and George J. Kuhn, 6410 North Eighth Street, trading as F. Kuhn & Brother, leaf tobacco cigars, etc., at 437 West Girard Avenue.

Sarah P. Halpern, 1015 West Wyoming Avenue, trading as Locust Sales Company, manufacturer of cigars, at 1015 West Wyoming Avenue.

PHILIP MORRIS DIVIDEND

A dividend of 1¾ per cent. (43¾ cents per share) has been declared on the Class "A" stock of Philip Morris, Limited, payable July 1 to stockholders of record June 15th.

FRESH! *not parched or toasted!*

When you smoke Camels you enjoy all the rare goodness of choice Turkish and mild sun-ripened Domestic tobaccos. For the tobaccos that go into Camels are never parched or toasted. The Reynolds method of scientifically applying heat guarantees against that.

Protected against drying out by the Camel Humidor Pack, a positive air-seal, Camels come to you with their natural moisture still present, insuring a cool, mild, flavorful smoke wherever you buy them.

If you haven't smoked Camels lately, compare their fresh, mild delight with the sting and burn of dusty dry cigarettes. Smoke Camels, then leave them —if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

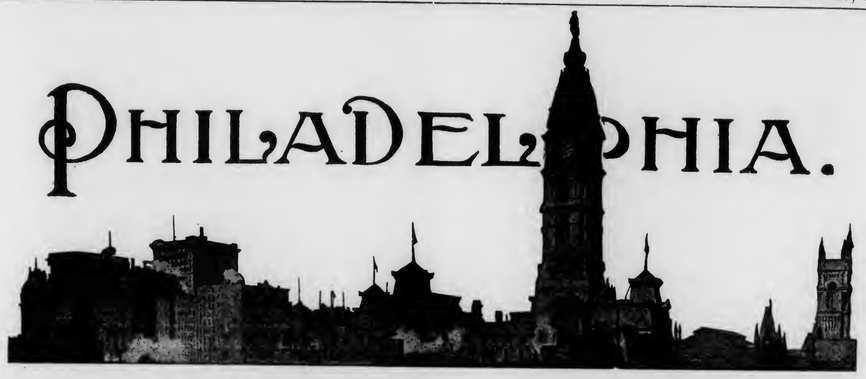
CAMELS

***Made* FRESH — *Kept* FRESH**

● *Don't remove the Camel Humidor Pack — it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh*

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.



KRULL TO DISTRIBUTE NEW "RONDAX"

WILLIAM A. COPPLE, eastern sales representative of M. Marsh & Son, Wheeling, W. Va., has been spending some time in Philadelphia during the past two weeks assisting the Charles Krull Company in placing M. Marsh & Sons' new five-cent cigar, "Rondax," which the Krull Company has just acquired as Philadelphia distributors.

The "Rondax" has received a splendid reception from the trade and from the consumers, and the attractive red package can be seen in most of the good locations throughout the city.

The new "Rondax" brand is not a stogie, but a full-sized, shaped cigar with blended long Havana filler, and has all the earmarks of a winner.

Mr. Copple has taken up his residence in Atlantic City for the summer months, and is located at 109 States Avenue, and extends a cordial invitation to members of the trade to look him up when in Atlantic City and assures us that they will receive a hearty welcome.

Mr. Copple has also acquired distribution on Marsh products in Atlantic City through A. Mansbach, Atlantic City cigar distributor of wide experience and ability, and Marsh stogies are being featured in the World's Playground at present with good success.

Yahn & McDonnell and Frings Brothers Company are distributing Marsh products, exclusive of the new "Rondax," in Philadelphia, and sales are increasing.

E. COHEN & SON IN DIFFICULTIES

An involuntary petition in bankruptcy was filed last week against E. Cohen & Son, well-known tobacco jobber, of 512 South Second Street. Creditors named are International Chocolate Specialties, Incorporated, $355; Brandle & Smith Company, Incorporated, $94, and Joseph Koenig, $275. Herman N. Silver is counsel.

CONGRESS CIGAR DIVIDEND

The Congress Cigar Company has declared a quarterly dividend of twenty-five cents payable June 30 to stockholders of record June 14th.

ARREST MADE IN FACTORY FIRE

Following an alleged incendiary fire in the Trebow Cigar Factory, 324 North Ninth Street, a few weeks ago, McNitt, assistant fire marshal, arrested a 76-year-old foreman of the factory at his home last week.

Trade Notes

The Yahn & McDonnell stands last week featured a beautiful window display of "Medalist" cigars. The main panel being black velvet with gold lettering.

Recent visitors in town were Mannie Perez, of Marcelino Perez & Company, Tampa; Frank Swick, of Simpson, Studwell & Swick, and Eugene Popper, of E. Popper & Company.

Ben Lumley announces two new sizes added to the "Garcia y Vega" line, the "Roosevelt" and "Royal Crown," and also advises that the "Aristocrat" size has been greatly increased.

F. P. Carlin, local representative for "Chukkers" cigarettes, Simpson, Studwell & Swick, is putting "Chukkers" in all the high spots in this territory and they are being well received.

The "Don Sebastian" Queens are now being packed in one-fortieth boite nature cedar boxes at no extra charge, and are meeting with an increased demand.

The "As You Like It" brand formerly owned by Godfrey S. Mahn but now the property of Yahn & McDonnell, has been showing considerable activity in this territory and sales have been showing a decided increase.

A large holiday crowd was in evidence at Atlantic City over the Decoration Day period and retailers in that resort experienced considerable activity which resulted in an optimistic feeling as to business conditions there during the present summer season.

At the Bellevue-Stratford Hotel last week, Clarence Thompson, manager of the cigar stand was featuring a beautiful display of "Monticello" cigars along with a splendid line of imported cigars which excited a good deal of favorable comment and had a favorable reaction on the sales volume of the stand.

Do you inhale?

"Why bring that up?" —the cigarette trade asks!

Copr., 1932, The American Tobacco Co.

FOR years there has been generally a striking avoidance of the word "inhale" in cigarette advertising. Why? Goodness only knows! For everybody inhales—knowingly or unknowingly! Every smoker breathes in some part of the smoke he or she draws out of a cigarette.

That's why it's all important to be certain that your cigarette smoke is pure and clean—to be sure that you don't inhale certain impurities.

Lucky Strike *has dared* to raise this vital question—*for it has solved the problem!* It gives you the protection you want . . . because certain impurities concealed in even the finest, mildest tobacco leaves are removed by Luckies' famous purifying process. Luckies created that process. Only Luckies have it!

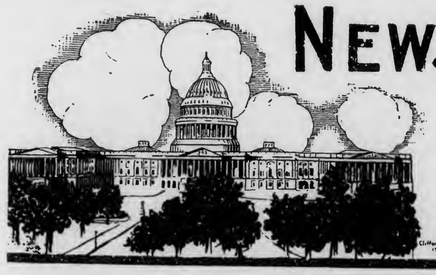
"Fifty million smokers can't be wrong!" So whether you inhale knowingly or unknowingly—safeguard your delicate membranes!

"It's toasted"

Your Throat Protection against irritation—against cough

O. K. AMERICA

TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike news features, every Tuesday, Thursday and Saturday evening over N. B. C. networks.



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

FINAL adjournment of the present session of Congress may be expected around June 20, under present plans of Senate and House leaders.

There are a number of measures pending which must be acted upon before Congress can quit, not to meet again until next December, but it is well recognized that when Congress wants to go home it can move with amazing celerity. An indication of this was given a few days ago when the Senate, in a three-hour consideration of minor measures, disposed of more than one hundred bills.

With the revenue revision bill out of the way and Government economy and relief programs practically completed, there remain only the appropriation bills for the various departments, which can be disposed of in short order.

Republican members of Congress have not cared particularly when the session ended, so far as their national convention was concerned, but Democratic leaders have been anxious to get away in time to reach Chicago in time for the opening of their convention on June 27.

For many members, adjournment will be a sad day, for when they return in December for the short session it will be as "lame ducks." The mortality—politically speaking—among candidates for re-election will be terrific this year; many who have sought renomination in the primaries already have fallen and many of those who succeed in winning the right to run again will be defeated next November.

Whatever members of Congress may have done during the session will prove "wrong" to their constituents, and next November will see the anomaly of the defeat, in one district, of a man who voted "aye" on some important bill, while in an adjoining district the electorate will reject a man who voted "no" on the same measure.

Partial suspension of the antitrust laws would be authorized by legislation introduced in the Senate by Senator Walsh (Dem.) of Massachusetts, under which industrial agreements regulating competition which in normal times might be regarded as violating those statutes would be permitted temporarily pending a two-year Government study of their effects.

The measure provides for the creation of a joint bipartisan Congressional committee of twelve to investigate the economic action of the Sherman and allied acts, which would make its report to Congress by April 1, 1934. During the intervening period, formal notices of trade agreements would be filed with the committee, the Federal Trade Commission and the Department of Justice.

As a measure of protection for industry and the public, the legislation bars mergers or consolidations of competing persons or interests, together with those abridging or curtailing accepted rights of labor, from the freedom granted by the bill.

High tribute to the value of the trade and technical press of the country was paid by Dr. Julius Klein, Assistant Secretary of Commerce, June 5 in his weekly radio address over a coast-to-coast network of the Columbia Broadcasting System.

Discussing the value of advertising in times of depression, Dr. Klein said:

"Perhaps not all of you realize that behind the line of trade, in which advertising in the newspapers and magazines and over the radio brings to the final user the news of new products and new services, there is a group of publications known as the business press which serves manufacturers, merchants, professional men. Advertising in these periodicals is directed to the buyers of machinery and equipment and raw materials which go to make up the business of manufacturing.

"Likewise, the manufacturer of goods distributed to the wholesaler and merchant advertises his commodities in terms of his interests; and those manufacturers and distributors serving professional and technical men again find advertising a medium of reaching their specialized audiences with news of their products and services.

"In these ways, there is going on daily an interchange of ideas between trades and industries that seldom comes to the attention of the final customer, but which has much to do with lowering the costs of commodities to the final consumer, since it is directed to that group of men in business who are interested to reduce the cost of production and the cost of merchandising."

An exhaustive investigation of Government competition with private enterprise has been undertaken by a special committee of the House of Representatives, with a view to submitting a report and recommendations at the beginning of the session next December.

The inquiry was ordered as a result of complaints that the Government, through its cafeterias, canteens, post and departmental stores, was competing to an ever-increasing extent with private business. Government employees, it was developed, can purchase at low prices not only their lunches at the Government cafeterias, but also food products, ladies' underwear, auto-

(Continued on Page 17)

IN MORE "POCKETS" EVERY DAY

"I sell five times as many now . . .

"For every pack I used to sell I now sell five. If you ask me why, I can only tell you what smoker after smoker tells me: '*Chesterfields are milder, they taste better, they're made right, they smoke cool and smooth. They Satisfy*'."

"Chesterfields please!"

IN MORE "HANDBAGS" EVERY DAY

Women don't want a cigarette that's *"made for women"*

They want a mild cigarette, of course, but they want one with a satisfying taste, that's not too sweet, not insipid. *They know what they want and where to get it.* That's why more women are changing to Chesterfield every day.

© 1932, LIGGETT & MYERS TOBACCO CO.

UNRAVELLING THE MYSTERY

Unemployed Professional Engineers Solve the Problem of Keeping Up Their Morale Under Adverse Conditions

THE TECHNICAL Service Committee of the Engineers' Club of Philadelphia has registered at 1317 Spruce Street the bulk of the available technical talent for the benefit of the employers of this district. The committee consists of unemployed technical men, doing this work without pay for the benefit of their fellow engineers. Their employment service is offered in confidence without cost to employer or employee. The list of 771 men on their registry covers every branch of the technical field. By uniting their efforts toward increasing business activity, it is felt that some of this widespread fear may be supplanted by reason.

A survey is being made, with the co-operation of the research committee of the State Employment Commission, to discover how much activity has dropped in each class of engineering since normal times. It is hoped that a ready response will be made to the questionnaire sent to each local manufacturer to find how his plant has suffered through unemployment. This information will give a basis upon which to push expansive measures and will be treated confidentially.

TWO-THIRDS OF AMERICA'S CIGARS MANUFACTURED BY MACHINERY

Approximately two-thirds of America's cigars are manufactured by machinery, according to a recent estimate in *The Financial World*.

This figure, it is stated, roughly corresponds to the share of the five-cent cigar in the total annual output. Modern methods and mass production, it is further pointed out, have resulted in an improvement in the quality of the Class A cigar, as the five-center is officially known.

Machine methods of manufacture, according to experts in the industry, offer the additional advantage of giving the smoker sanitary protection as exemplified by one popular five-cent brand which now claims the distinction of being the only cigar in the world finished under glass.

SCHWARTZ CIGAR CORPORATION PAYS DIVIDEND

The Bernard Schwartz Cigar Corporation, of Detroit, has declared a dividend of twenty-five cents a share on the no-par $2 preferred cumulative stock, payable July 1st to stockholders of record June 20, on account of accumulated dividends, which will amount to fifty cents a share as of July 1st, 1932.

SCHULTE OMITS PREFERRED

The Schulte Cigar Stores Corporation has passed the quarterly dividend of $2 due at this time on the preferred stock of the company. The last dividend on this stock was paid January 2, 1932, and at the March meeting action on the dividend was postponed until the meeting on June 2d.

LOUIS SCHRAMM RETURNS

Louis Schramm, well-known importer and dealer in leaf tobaccos, of New York City, returned last week on the S. S. "Ile de France" after a few weeks in Europe where he attended the tobacco inscriptions at Amsterdam.

OPPORTUNITY TIME NOW FOR RETAILER

VACATION time for most of the world means a fighting bass, open fairways, backwoods places where a fellow wears his old corduroys, or just the peace and quiet of staying comfortably at home and puttering in the garden. But to the cigar retailer it means opportunity."

This is the good news which Phil M. Phulofax, D. B. I., who is associated with Bayuk Cigars, Incorporated, of Philadelphia, and whose selling tips appear regularly in the advertising columns of this magazine, writes from Anytown, U. S. A., where he is stopping on his coast-to-coast tour of observation.

"Here in Anytown, I had a long talk with Billy Keep Atem, of Up & Atem, who do a thriving business on Main Street, and Billy gave me some good thoughts on vacation cigar business. 'Some fellows,' he said, 'have entirely the wrong slant on the summer trade. Taking a quick look at the picture, they decide that everybody will be away during the hot weather and that their cigars will slumber on the shelves until the fall trade picks up and gives them a shove.'

"'Now that,' said Billy, 'is what I call going to sleep yourself. Put your head to work instead of on the pillow and the July forecast will be more to your liking. Summer means that lots of your customers will be away from home, but it does not mean that they will stop smoking cigars. If a customer plans to be out of town for several weeks he will need at least a box of his favorites. If he will be gone for only a week or two, he will want to stock up, too, for he will be even less willing to take precious golf or fishing time to run to town for his indispensable smokes. And if you have ever waited patiently, rod in hand, or cranked a reel with wild excitement, you know that the thrill is incomplete without the companionship that tobacco gives, and that the old saying about solitude ought to be amended—Give me solitude and my pet cigar.

"'If he is treking to the wilds, he'll need to take his smokes in the knapsack along with the bacon and canned beans, because tobacco shops don't flourish in the north woods. On the other hand, if he is being cajoled to one of those seaside resorts where the women folk show their finery before the rocking chair jury, he'll be glad of the consolation of a box of cigars. And, if he expects to stay at home this summer, sell him a box to give him that vacation feeling. Any way you look at it, there looms a mountain of opportunity to sell by the box, and of course all of us in the business know that our biggest profits are in box sales.'

"That's Atem's attitude, and it's an easy bet that there won't be any antiquated star boarders taking up space on his shelves next September. Start sleuthing now and find out when the Joneses and the Browns are going away and for how long. Why, the 'glorious Fourth,' a three-day holiday this year which means fishing trips, camping parties and all sorts of timely expeditions, is only just around the corner. Now is the time to begin your summer smokes campaign—and here's to continued high sales throughout the hot weather!"

DEISEL-WEMMER-GILBERT OMITS

The Deisel-Wemmer-Gilbert Corporation, Detroit and Lima, Ohio, has omitted the quarterly dividend of twenty-five cents due at this time on the common stock. The board of directors announced that the omission was due to a desire on their part to conserve the company's cash.

Trade Notes

Harry I. Shacklett, representing the "G & S" brand and the "Carlton" brand of A. Gutierrez, who has been confined to his home in the Ambassador Apartments at Twenty-first and Walnut Streets, for a long period on account of illness, returned to his home in Virginia on May 27th, bearing the good wishes of his many friends for a speedy recovery.

J. Merriam, of M. Bustillo & Merriam, Tampa manufacturers of the "Espadilla" brand, was in Philadelphia last week and called on Yahn & McDonnell, local distributors.

Mr. Rosenthal, of Gonzalez & Sanchez, Tampa manufacturers of the "G & S" brand, was in town last week introducing their new brand "D-Good" which retails at five cents.

I. B. White, manager of the cigar department of John Wagner & Sons, announces that three new sizes have been added to their stock of "Don Sebastian" cigars, "Edison," "Leaders" and "Petit Panetelas" retailing at ten cents. These cigars are packed with cedar sheets between each layer of cigars and no cellophane wrappers, as it is the custom with the Arango y Arango factory to put no cellophane on their fine cigars unless specifically requested by the customer.

G. B. Saunders, factory representative of the Porto Rican American Tobacco Company, has been spending some time in Philadelphia promoting the new size of "El Toro" cigar, and replacing the old size with the new perfecto size among the retailers, and the new size is also in a much more attractive package. Mr. Saunders has been working through Yahn & McDonnell, local distributors of the "El Toro" brand.

Amedee Levie, western factory representative of George Zifferblatt & Company, has been working during the past week with the Peter Hauptmann Tobacco Company, of St. Louis, who have recently taken on the "Habanello" brand for distribution in that territory. A number of new accounts have been opened and the "Habanello" is being well received. Bernard Meyers, of the "Habanello" factory, is doing some good work with C. H. Stallman & Sons, in York, Pa., and also spent several days in Lancaster, with Cooper and Company, "Habanello" distributor in that territory.

Ben Lumley, the "Garcia y Vega" ambassador, has just returned from a trip to Altoona where he has been putting in a week campaigning on the "Garcia y Vega" brand, through the Reid Tobacco Company, with good success. The Garcia y Vega is being well received in that territory and a gratifying number of new placements were made.

Last week Mr. Lumley was campaigning in Philadelphia on "Garcia & Vega," through John Wagner & Sons, importers and distributors, 233 Dock Street, and also working on the Wagner brand, "Monticello," which is showing splendid demand. The "Monticello" brand has just added a new size, "Longfellow," which is being well received.

LOAD UP WITH CIGARS FOR THE 4TH
SATURDAY.
SUNDAY.
MONDAY.
Three glorious going away days.
THERE'S NO LAW AGAINST YOUR ENJOYING A BOX OF YOUR FAVORITE CIGARS OVER THE 4TH
JUST A MINUTE! U NEED A LOT OF YOUR FAVORITE CIGARS 4 THE FULL ENJOYMENT OF THE YEARS MOST GLORIOUS HOLIDAY.
CELEBRATE THE FOURTH SAFELY SANELY SATISFACTORILY WITH A BOX OF YOUR FAVORITE CIGARS
HOORAY! INDEPENDENCE DAY! A BOX OF CIGARS! BUY 'EM TODAY! BEFORE YOU GO AWAY!

PHIL M. PHULOFAX, *D. B. I.
(the retailer's friend)
says:

"Playtime for others is haytime for you"

Excuse me if I revamp that old axiom about making hay while the sun shines. But whoever invented the expression must have been thinking of holidays and the opportunities they offer cigar merchants. This year the big mid-summer holiday should be more fruitful than usual — for most people will be "shooting the works" three days running. . . . And the retailer who doesn't put on a stiff drive for box sales for the occasion is asleep, indifferent, extinct—or something — from the collar northward.

I say prepare to get out those box goods . . . "Twenties," "Fortieths" and "Five-packs." Stack 'em up on top of the case. Have some of 'em all ready wrapped. Put some "Special" packages on a small stand near the door. Make up a timely window display. Dress up the store, inside and outside, with bunting . . . let it register the spirit of holiday, recreation and happiness —toward which "smokes" contribute an important part.

Get up some signs. To help you I've turned ad-writer. Even if you haven't any more artistic talent than a flagpole painter, you can letter a few buying urges to look something like the suggestions I'm giving you at the top of this page.

Put up the signs and displays and start working personally on your customers at least a week before Saturday, July 2nd. The same general sales-talk and other suggestions I gave you a month ago for Decoration Day business, fit Fourth-of-July selling efforts. Look 'em up in this magazine.

The pessimists' arguments about summer holidays meaning dull business because of people going away, is all bosh. I say smokers will smoke whether they're at home or traveling; and in the latter case the thing to do is to sell 'em their supply of cigars BEFORE they go away. Make your customers feel that you, who serve them during stay-at-home periods, are just as much entitled to supply their smoke-needs while they're on the go.

Phil M. Phulofax *

*Associated with BAYUK CIGARS, Inc.
Philadelphia
Makers of fine cigars since 1897

P. S.—Cigar popularity is on the rise. What particular selling ideas are you using? How do you go after vacation and summer-holiday business? Exchange your ideas for the ideas other retailers are constantly transmitting to you through my pages. Send in your suggestions—in your own language; I'll dress it up for publication.

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR (BAYUK "PHILLIES")
BAYUK HAVANA RIBBON — PRINCE HAMLET
BAYUK MAPACUBA — CHARLES THOMSON

Listen in—and tell others to listen in—on the "Bayuk Stag Party" over WJZ and network, Sunday evenings.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

RETAIL STORE PLANNING

(Continued from previous Issue)

Introduction

IS THERE in present-day retailing a trend toward overemphasis of customer service? Within the past few years the retail merchant has been trying to adjust operating expenses to lower price levels. At the same time the retail field has become more highly competitive, and many new plans have been devised for the attraction of trade. One logical result is a tendency to give costly service to the customer, which may be carried to the point of increasing the ratio of operating expenses to sales.

A subject of vital interest to retailers is this: What are the best managed stores doing to increase sales without correspondingly increasing overhead expenses? In contrast to unprofitable extremes in customer service, attractive display of goods and scientific location of related departments will have a material effect on sales. Other satisfactory methods will be suggested to the individual merchant through intensive study of the layout of the store. The relocating of departments is an example of a possible improvement which may cost little or nothing, while other advantageous changes involve the purchase of expensive new equipment. It is likely that no two independent stores carry exactly the same lines of merchandise, and a duplication of trade conditions is practically impossible. Therefore, in applying suggestions for the improvement of store layout, the merchant will naturally be guided by conditions peculiar to his own business and will spend only the amount of money for which he will be directly compensated by a proportionate increase in sales.

The purpose of this study is not to settle any individual merchant's layout problem, but to emphasize the importance of careful planning in the store and to suggest certain factors that every merchant will find of profitable interest in planning his store layout.

Planning the Building

Store Front

By "putting up a good front" the retailer inspires many a passer-by with a desire to become better acquainted with his merchandise. The external features of the store intimate to the public the nature of the activity within. For that reason the store front should, in so far as possible, suggest the highest attainment in the particular line of business conducted. Owing to the great variety of merchandise which it proposes to sell, the department store is unable to carry out this idea as closely as is possible in the case of the small specialty shop. The department store can, however, be made to radiate cheerfulness and to convey an impression of stability, spaciousness, and harmony in a measure pleasing to the class of trade which it desires to attract.

The show window is undoubtedly the most important feature of the store front in reflecting the attractive qualities peculiar to the institution. The type, size, general construction, and lighting of show windows must meet the requirements of the goods to be displayed. For example, if large articles are to be shown, it is desirable that the window space be of sufficient depth to permit effective display; and a soft lavender glow, which might cause feather fans and other dainty articles of feminine dress to look enticingly beautiful, would have a tendency, perhaps, to cast gloom on a sealskin coat. The details of show-window construction are quite as important as the actual methods of display and, as a rule, are best intrusted to a specialist in store-front architecture.

Store Entrance

An attractive window display is a good introduction, but something more is necessary to complete the invitation to enter a store. Women do most of the buying for the home and family, and the retail merchant finds it profitable to take this into consideration in connection with his store planning. It sometimes happens that a woman will be an interested window shopper for several blocks without being conscious of a single store entrance; then, suddenly she decides to enter a store for which she was not originally bound. This tends to prove the possibility of constructing a distinctive store entrance which will subtly suggest, "Come in."

The position of the entrance with regard to the building is important in its effect upon the attitude of customers. A corner store has the choice of an entrance from each street or one at the corner. The corner entrance makes it necessary for customers approaching from one direction to walk the full length of the building before entering the store. Two entrance ways tend to influence customers to go through the store. An entrance on the corner in addition to the other two street entrances might have a tendency to divert traffic, so that many customers would come in through the nearest street door and go out at the corner, and this diversion might materially cut down returns from an otherwise effective display space within the store.

There is no exaggeration in saying that special features in entrance construction may either prompt a prospective customer to enter the store or cause him to pass by. For example, a show case placed before the entrance can be made so attractive that many people will circle admiringly around it; but, according to the expressed opinion of many retailers, it is doubtful if the advantages of an island show case offset the disadvantages of passageway congestion for which it may be responsible. It may well be observed also in connection with store entrances that few people like to climb steps, and few will voluntarily struggle with a door which is inclined to stick.

(Continued on Page 14)

"Nothing Satisfies Like A Good Cigar"
WOODEN BOXES MAKE GOOD CIGARS BETTER

"I will not change my horse with any that treads * * *." Thus speaks "Dauphin" in "Henry V." And then there is an adage about changing horses in the middle of a stream.

If ever, the cigar industry is in the middle of a stream today. It is failing to maintain comparative averages in production despite the fact that an overwhelming precentage of sales is in the lowest priced bracket.

Wooden cigar boxes have been a mark of prestige for good cigars for generations. Can the cigar industry afford to "change horses" in this critical hour? The superior merits of a natural wood container remain unchanged. Why risk the good-will of your brands by using any other than the most favorable package for your product?

AUTOKRAFT BOX CORPORATION manufactures good wooden boxes to help make good cigars better. Its factories are equipped to produce any type of wooden container to meet any requirement. Its facilities comprehend a Nation-Wide service.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

ENGLISH MEN OF FASHION STUDIED SMOKING

PROFESSORS of smoking were once employed by English men of fashion to teach them how to inhale and blow smoke rings gracefully. Within a few years after the enjoyments of smoking had been introduced in England by the early visitors to America the question "Do you inhale?" had become an important one among smokers, according to tobacco historians. The custom of smoking spread so rapidly during the closing years of the reign of Queen Elizabeth that the author of "A History of Smoking" reports:

"To acquire the art of smoking was the duty of every man of fashion, and it was considered a disgrace not to be able to inhale smoke through the nose; there were even professors of smoking who initiated beginners into the mysteries, and were not satisfied until their pupils had acquired the art of blowing smoke rings in the air."

Smoking today, of course, is far different from what it was then. Instead of strong, harsh tobaccos such as were smoked in the days of Queen Elizabeth, milder, mellower kinds are purchased by expert buyers in all the great tobacco markets of the world and even from these choice types certain impurities naturally present in every tobacco leaf are removed by the toasting process including the use of ultra violet rays employed by a leading cigarette manufacturer. Consequently, the lucky smokers of today can inhale and enjoy their cigarettes without having to take lessons in the art from professors of smoking, as did the English men of fashion in the days of Queen Elizabeth.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

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GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

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MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

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ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

RETAIL STORE PROBLEMS

(*Continued from Page 12*)

Store Interior

The inside appearance of a carefully planned store can be made to carry out the favorable impression created by a well-considered exterior. To the majority of people the most elaborate effect may not be so pleasing as harmonious simplicity and cleanliness. The general color scheme, the lighting, and the right treatment of floors, walls, and ceiling, are important considerations entering into the production of an attractive setting which will properly accentuate the merchandise display.

Successful retailing in a store of many departments is greatly dependent upon the main-floor exhibit. An aimless shopper wandering in for a casual inspection of merchandise may become a valued customer as a result of efficiency in main-floor layout. If a customer goes beyond the first floor it is usually to examine some definite class of merchandise on one of the upper floors, or perhaps an advertised bargain to be found in the basement.

The use of a bargain basement supplementary to the first floor is an outgrowth of the main-floor bargain table and has gained in popularity during the past few years in communities of sufficiently diverse population to make it practical.

Experienced merchants have expressed the opinion that people coming primarily for bargains are not, as a rule, good prospective purchasers of other goods, and that too much display of bargains on the main floor tends to distract potential purchasers of merchandise in regular stock. With a proper understanding of the peculiarities of his community, the retailer is able to choose wisely between the main-floor bargain table and the bargain basement. In any case, all details of arrangement which influence customers to circulate freely through the store, with the greatest possible variety of tempting merchandise in attractive display, are worthy of the retailer's best attention. For instance, unless restricted by city ordinance, the stairways can be so placed that patrons must cross the first floor in order to reach the basement; but a merchant may find that in his particular business it is more profitable to avoid the possibility of having bargain hunters interfere with the convenience of other customers. He may, therefore, prefer to locate the stairway and elevators to the basement near a main-floor entrance, or even to provide a street entrance to the bargain basement.

It has been found profitable to give careful consideration also to the proper placing of elevators leading to the upper floors. The merchant must weigh the possible advantages and disadvantages of a location that is primarily for convenience and one which tends to greater circulation of prospective purchasers. Elevators grouped at some distance from the entrances serve best to distribute traffic throughout the store, since the patron who crosses the main floor to enter the elevator must also, as a rule, move past considerable upper-floor merchandise display before finding the article originally sought.

Though it is doubtless impossible to introduce suggestions with regard to efficient interior store lighting, great emphasis must be placed on its importance. What constitutes proper store lighting would perhaps require as many answers as there are stores, but in all cases it is necessary that the lighting be pleasing to the customer who is entering the building, properly shaded to display the goods to advantage, yet sufficient to enable a purchaser to match colored merchandise. Everything else being equal, a retailer with a well-lighted store will undoubtedly do more business than his neighbor with a poorly lighted store.

Location of Selling Departments

Community Preference

The object of up-to-date store planning is to provide satisfactory service to the community at reasonable profit to the retailer. It follows that the efficient store manager will direct his best effort toward having no department which does not bear its proportionate share of the general expense and show a profit at the end of the year. Weakness in any one department can sometimes be attributed to its improper location in the store. Broadly speaking, there are two important factors to consider in determining the best location for the various departments—type of customer and class of merchandise. In other words, the progressive retailer finds out what his community will buy and then makes it as convenient as possible for the community to purchase from him. For purposes of comparison, communities may be classified as wealthy or poor; city, suburban, or rural; conservative or progressive; mining or agricultural, and so on; and one important task of the retailer is to arrange his merchandise to suit the community preference.

Classification of Merchandise

The store of many departments will have for sale (1) merchandise which the prospective customer needs, (2) articles which he wants, (3) other articles which he may be induced to want. Obviously, what is a luxury in one community may be considered a necessity in another; therefore it is practically impossible to list specific articles of merchandise which may be said to belong to one class. Again, each class may be subdivided into fast or slow moving goods, high or low priced, bulky or small, masculine or feminine choices, dark or colorful, and so on.

Though local conditions may determine the class to which each article belongs, certain general principles can be profitably followed in choosing the location in the store for each class. Reports agree that in stores of more than one floor only articles of moderate size and pleasing appearance should be displayed on the first floor, owing to the high value of the main-floor space. In all stores there are some lines which will sell faster than others. The modern method is to help out the sale of slow-moving stock by placing the quick-selling goods toward the rear of the store and the slow-selling articles of merchandise where the greatest number of prospective customers will see them in passing.

Characteristics of Customers

Merchandise which the customer will buy on the impulse of the moment, if the article happens to catch his eye, will naturally be located on the main floor along the regular lines of traffic, where they will attract the most attention.

One interesting example of how a slight change in the appearance of a department may promptly increase its popularity was given by a merchant who stated that, as an experiment, two beautiful lamps were brought down from the lamp section and placed on the glass top of a counter containing women's neckwear. Within three months it was decided to double the amount of floor space which for two years previous had proved sufficient for that particular section. The added attraction provided by the two lamps appeared to be the only explanation of the sudden increase in sales.

(Continued on Page 18)

A. C. M. ASKS ACTION ON PRICE MAINTENANCE

LAST WEEK, John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco dealers, and on behalf of the association appealed to United States Senator Arthur Capper to use every effort to obtain consideration for the Capper-Kelly resale price maintenance bill before the present session of Congress adjourns.

In his letter to Senator Capper Mr. Duys states:

"On behalf of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, of which I have the honor of being president, I desire to urge you to use your best efforts to secure consideration before this session of Congress adjourns of the so-called Capper-Kelly honest merchandising bill (S. 97).

"This bill applies only to merchandise identified by trade-mark or in some other manner and does not apply to ordinary staple products which are not identified.

"Contrary to the impression in certain quarters, it should be understood that the bill does not make compulsory the maintenance of prices fixed by the manufacturer unless pursuant to a contract between the producer and his distributors; in other words, manufacturers, even though their products be trade-marked or identified, would not be obliged to take advantage of the proposed law and all contracts entered into between themselves and their distributors would be entirely voluntary.

"There can be no doubt that one of the great evils of the present time is the predatory price-cutting which is pursued by a certain class of merchants who are practically the only opponents of the Capper-Kelly bill. If contracts to maintain resale prices should be legalized, manufacturers desiring to protect their distributors would be able to insure to the latter reasonable profits, while fair competition in the sale of their products would keep prices down to a reasonable level and furnish to manufacturers an incentive to build up quality.

"The price-cutter of today makes up any losses he may incur through cut prices on widely known identified products by excessive profits on goods with which the public is less familiar. The rapid concentration of retail merchandising in the hands of a few great combinations is to be credited in considerable measure to their cut price tactics as applied to goods of known quality and value. Using these as 'bargain bait,' they have been able to persuade unthinking buyers that all other goods are sold at similar reductions.

"Thousands of small merchants throughout the country have been driven out of business by the price cutters, thus contributing in no small degree to the present financial depression. It is certainly demoralizing to any trade when merchants are no longer able to operate their independent stores, but must join the already overcrowded ranks of clerks and salesmen and drift into the ever-increasing army of unemployed.

"If through the exercise of your influence you can assist in bringing about the passage of the honest merchandising bill, you will earn the thanks of independent business men and those depending upon them in every part of this broad country and assist materially in the restoration of prosperity."

ITALIAN TOBACCO REGIE TAKES OFFICES

The Italian Tobacco Regie, the official Italian State tobacco monopoly in the United States, has leased more than 2000 square feet in the Rex Cole Building at 257 Fourth Avenue, New York City.

CHESTERFIELDS IN EIGHTY COUNTRIES

IT MAY SEEM strange to find a window display on one of America's busiest corners composed almost entirely of foreign models and languages. Such is the case, however, with the Chesterfield window for June in the A. Schulte store, Fifth Avenue and Forty-second Street, New York. The display is beautifully designed and illuminated, and one sees the earth revolving tirelessly, girdled by portraits of Chesterfield smokers from many lands. In their native language they say to thousands of passersby, "They Satisfy the World over." Spanish, German, Italian, French, even Chinese know this famous brand.

When you consider the huge foreign-born population of New York you can readily imagine the comment such a display has aroused. To Americans, of course, even though they cannot all read the captions under the pictures, it is interesting to learn how the taste for American "blend" cigarettes has indeed circled the globe. Many a tourist from the States has been pleasantly surprised to find his favorite brand in the most out-of-the-way foreign ports.

But according to latest statistics, not all who stop before the Chesterfield window are unfamiliar with the languages. Greater New York, for instance, has a population of Italians larger than Rome itself! Here also live more Germans than make up the city of Bremen in the homeland. And almost a quarter of a million Poles will be found within the limits of the great American metropolis. It must interest those who have adopted this country as their own to see "old country" types enjoying the same "Chesterfield" they buy themselves right here in America. "Chesterfields" are sold and smoked in over eighty countries—"They Satisfy—the world over."

DIAMOND MATCH EARNINGS

Diamond Match Company in the quarter ended March 31 earned a balance equivalent to thirty-one cents a share on the common stock after dividend requirements on the 6 per cent. preferred stock, as compared with thirty cents a share on the combined preferred and common stocks in the March quarter of last year.

CHESTERFIELD RENEWS STELLAR SERIES

Renewals of contracts presenting Ruth Etting, the Boswell Sisters, Alex Gray, Norman Brokenshire and Nat Shilkret's Orchestra in "Music That Satisfies" over the WABC-Columbia network is announced by the Liggett & Myers Tobacco Company. The series, offered every night except Sunday at 10 P. M., Eastern Daylight Saving Time, will retain its current schedule.

GORLITZER FILES PETITION

Benjamin Gorlitzer, cigar dealer of 247 Park Avenue, New York City, filed a voluntary petition in bankruptcy on Monday in the United States District Court for that district. Liabilities were listed as $11,411, and assets $3734.

HARRIS ON WESTERN TRIP

A. Harris, head of the private brand department of the American Tobacco Company, and sales manager for the "Johnnie Walker" cigarette, left last week for a trip through the Middle West, covering Illinois, Ohio, Michigan and Wisconsin.

CORRECTION IN APRIL 1 TOBACCO REPORT

THE UNITED STATES Department of Agriculture, Tobacco Section, reports in checking over the April 1, 1932, tobacco stocks report that 3,917,000 pounds of tobacco was incorrectly reported as One-Sucker, U. S. Type 35, when it should have been reported as Southern Maryland, U. S. Type 32. The detailed report by groups of grades of these two types should read as follows:

U. S. Type 32—Southern Maryland

Group	New Crop Unstemmed 1000 lbs.	New Crop Stemmed 1000 lbs.	Old Crop Unstemmed 1000 lbs.	Old Crop Stemmed 1000 lbs.	April 1 Group Totals 1000 lbs.
B....	7,035	....	....	....	7,035
C....	9,238	1,386	1	....	10,625
X....	1,548	57	3	1	1,609
S....	22	....	....	....	22
N....	268	....	....	....	268
Total.	18,111	1,443	4	1	19,559

U. S. Type 35—One Sucker.

A....	1,456	....	....	....	1,456
B....	17,325	1	2	1	17,329
C....	12,147	....	44	....	12,191
X....	12,152	116	2	....	12,270
S....	769	....	....	....	769
N....	1,091	....	....	....	1,091
Total.	44,940	117	48	1	45,106

Attention is also called to an error in the January 1, 1932, report. Due to an error in tabulation the stocks of the A group of Type 12, Eastern North Carolina Flue-cured, were reported as 1,223,000 pounds. The correct figure for stocks of the A group of Type 12 on January 1, 1932, is 200,000 pounds. The correct figure for stocks of the B group of Type 12 on January 1, 1932, is 71,868,000 pounds.

UNITED CIGAR STORE EARNINGS

United Cigar Stores Company and subsidiaries report for 1931 net profit of $288,260 after depreciation, amortization, interest, etc., as compared with $1,551,980 in 1930.

MATCH COMPANY ASSETS

(Continued from Page 3)

In her action, Mrs. Bramson states that Lee, Higginson & Company gave her to understand that the International Match Corporation would be managed by a board of directors predominantly composed of American business executives, whereas, she contends, the American representatives on that board had previously abdicated a large part of their functions to the late Ivar Kreuger. Kreuger, president of the company, committed suicide in Paris early this year, and the debacle of his companies, including Kreuger & Toll and the Affiliated International Match Corporation, then became known.

Victor House, counsel for Mrs. Bramson, stated today that the action against Guaranty was instituted solely because Mrs. Bramson had purchased her bond through that company. He added that it was not yet clear what agreement, Guaranty, along with other New York banks, had with Lee, Higginson & Company in their underwriting of International Match Corporation bonds. The present suit, he said, is designed to settle that point.

A. C. M. OFFICERS RE-ELECTED

AT a recent meeting of the board of directors of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, held in the offices of H. Duys & Company, New York City, officers of the association were re-elected to retain their present posts for another twelve months.

Important matters were discussed and it was definitely decided not to hold the regular annual convention this year due to conditions throughout the industry.

WHITE OWL PRODUCTION 425,000,000

An advertisement of the General Cigar Company points out the fact that the first year's production of "White Owl" cigars after the reduction in price from seven cents to five cents was more than 425,000,000 cigars. These figures are not astonishing when it is recalled that absolutely the same cigar sold for seven cents and up for more than fourteen years, and naturally, when the price was reduced to five cents, the consumer was quick to take advantage of it.

The "White Owl" cigar today enjoys an enviable position in the field of popularity among the five-cent cigars.

TOBACCO TRADE CONFERENCE

(Continued from Page 3)

ing a financial or professional interest in said commodities and to reform abuses relative thereto, and to secure freedom from unjust or unlawful exactions, to diffuse accurate and reliable information as to the standing of merchants and other matters, to procure uniformity and certainty in the customs and usages of trade and commerce in tobacco and tobacco products and of those engaged in the business relating to said products, and of those having a financial or professional interest in said products; and to settle and adjust differences between its members and others, and to promote a more enlarged and friendly intercourse among persons, firms and corporations engaged in said business."

The following statement was authorized by the meeting: "The fact that representatives of a number of existing organizations have brought about the incorporation of the Tobacco Trade Conference, Inc., is complete evidence that there will be no conflict in motives, purposes, plans or problems between the new organization and the existing organizations. It is felt that a co-ordination of the interests of those in Tobacco Trade Conference, Inc., will result in a long-looked-for and much desired forward step in the correcting of the abuses which are unfortunate, but so prevalent in every sphere of the tobacco trade.

"We invite the co-operation of all dealers in tobacco products, who are urged to join as affiliated members. The dues, the only obligation, are $6 annually. We feel that we can accomplish many things which will make for betterment of conditions in the entire industry.

"For further information with respect to the organization, inquiry should be made to Jonas J. Ollendorff, secretary, 19 West Forty-fourth Street, New York City."

EUROPEAN TOBACCO PRODUCTION REDUCED

THE PRODUCTION of tobacco in Europe, excluding Russia, in 1931 was about 14 per cent. less than that of the previous year, according to J. B. Hutson, tobacco specialist in Europe for the Foreign Agricultural Service. The tobacco crops of Italy, Rumania and Greece were reduced substantially, while in most other countries production was increased. However, information available to date indicates that the decline in consumption in 1931 in continental Europe, excluding Russia, was about as great as the decline in production and there are no recent developments that indicate an immediate improvement in consumption.

The 1931 crop of dark air-cured tobacco in Europe, excluding Russia, was approxiately 300 million pounds, compared with 314 million pounds in 1930. The production of Oriental tobacco in Greece, Turkey and Bulgaria in 1931 was approximately 255 million pounds, compared with 305 million pounds in 1930. The 1931 crop of semi-oriental tobacco grown largely in Rumania, Yugoslavia and South Italy was approximately 95 million pounds, compared with 140 million pounds the previous year.

The acreage of Makhorka tobacco in Russia in 1931 is reported to have been almost twice that of the previous year. This is a dark, strong type used largely in smoking mixtures for Russian peasants. The Russian acreage of oriental tobacco in 1931 is reported to have been 35 per cent. larger than the previous year. The combined reported acreage of the two types in Russia in 1931 was approximately 60 per cent. of that for the remainder of Europe. In recent years most of the Russian crop has been consumed in domestic products. However, in both 1929 and 1930 German imports from Russia were around four million pounds. Small quantities were also imported by several other European countries.

The reduced crop in Southern Europe is not likely to result in any increase in the takings of tobacco from the United States. In fact, there may be some further decline in the consumption of the fire-cured tobacco. In the countries in which production was reduced, stocks of domestic tobacco are reported still to be large and in several countries the consumption of mixtures in which tobacco from the United States is used has declined. However, the consumption of the flue-cured types in the United Kingdom, the most important European importing country, has held up well during the past year and no marked decline in the consumption of these types is expected.

Of the European grown tobacco, the dark, air-cured types of Italy, Hungary, Germany, France, Spain, Czechoslovakia and Poland compete most directly with tobacco from the United States. In the case of all this tobacco except that grown in Hungary the competition is within the country in which the tobacco is produced rather than on export markets.

In Italy reports indicate that the 1931 crop of dark air-cured tobacco was less than half of that of 1930. However, the dark Italian grown types enter but little into export trade and because of the large crop of 1930, stocks are believed to be large enough for domestic requirements. Exports of dark fire-cured tobacco to Italy have been small in recent years.

In most of the other countries just mentioned production was increased in 1931. The Hungarian crop in 1931 was about 15 per cent. larger than that of the previous year. Some Hungarian tobacco is used in France, Belgium, The Netherlands, and Germany in smoking mixtures in which fire-cured or air-cured tobacco from the United States is also used and there probably will be larger offerings of Hungarian tobacco in these countries. The domestic crops which are also used partly in these mixtures were larger in Germany and France and were reduced but little in Belgium. Production was also increased in Poland and Czechoslovakia and reduced only moderately in Spain. In all of these countries except Hungary some fire-cured or dark air-cured tobacco from the United States is used in smoking mixtures in which domestic tobacco is also used. In these countries with larger domestic crops there may be some further displacement of the dark fire-cured types from the United States.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

News from Congress

(Continued from page 8)

mobile tires, radio sets, shoes, and practically anything else they needed. It was contended that the operation of these activities offered cut-price competition which private businesses cannot meet and that the Government has no right to enter into competition with business houses which pay heavy taxes.

One of the sources of complaint has been the sale of cigarettes and tobacco. Army and Navy Canteens, it is charged, sell these products at about half the usual price, through the combination of wholesale purchases and freedom from Federal tax. In many instances, it was alleged, cigarettes so purchased by enlisted personnel are sold or given to civilians.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an auditional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

OLD SPAIN:—46,042. For cigars only May 31, 1932. Schaefer Cigars, Inc., Dayton, Ohio.

TRANSFERS

RED JACKET:—(Connorton's Directory). For smoking tobacco. Registered 1899, by Wesson Bros., Wingo, Ky. Transferred by Mrs. I. A. Wesson, administratrix of Estate of Dr. I. A. Wesson, to B. Payn's Son's Tobacco Co., Albany, N. Y., May 27, 1932.

CRIMSON COACH:—45,998 (T. M. A.). For all tobacco products. Registered March 2, 1932, by Crimson Coach Products Company, Ft. Wayne, Ind. Transferred to Crimson Coach, Incorporated, Toledo, Ohio, June 3, 1932.

NORVELLA:—30,392 (United States Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered June 12, 1905, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Through mesne transfers acquired by Philip Luber, Philadelphia, Pa., June 3, 1932.

ST. ELMO:—26,805 (United States Tobacco Journal). For cigars, cigarettes and cheroots. Registered March 18, 1903, by St. Elmo Cigar Co., Los Angeles, Calif. Through mesne transfers acquired by Louis Kanter, Los Angeles, Calif., and re-transferred to Fred. E. Druck & Co., Dallastown, Pa., January 13, 1932.

CANCELLED REGISTRATION

G. A. KOHLER & CO'S.:—46,019. For all tobacco products. Registered April 4, 1932, by American Colortype Co., New York, N. Y.

RADIO INCREASE DURING APRIL

EXPENDITURES for advertising by the tobacco industry in national and farm magazines during May and over national radio networks during April continued to show substantial gains over the same months a year ago. The total for national magazines was $559,709, an increase of 20.4 per cent. over May, 1931, and for farm magazines the total was $45,700, an increase of 43 per cent. Of the expenditures for national magazines, $435,645 went for cigarettes, $23,879 went for cigars, and $100,185 went for tobacco and smokers' supplies, according to figures compiled from National Advertising Records, by the business survey department of Dorrance, Sullivan & Company, New York advertising agents.

For the first five months of the year the total in national and farm magazines was $3,028,734, ahead of the corresponding period of last year by 15.6 per cent. National magazines accounted for $2,832,484 of this, a gain of 14.9 per cent., and farm magazines accounted for $196,250, a gain of 28.7 per cent.

The April expenditure for radio advertising was $692,235, as compared with $434,382 last year, an increase of 59.4 per cent. This was considerably below the average gain for the first four months of the year; however, the total of $3,053,844 for this period being 126.7 per cent. above last year's figure of $1,346,744 for the same months. For all three media (national magazines, farm magazines, radio) the April figure was $1,265,683, an increase of 28.9 per cent., and for the first four months was $5,477,169, an increase of 57.8 per cent.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

Since women are in the majority as shoppers, men are not so likely to feel at home in a department store where masculine minority is most apparent. When men do patronize a department store they usually appear to want to get in and out as quickly as possible, unhampered by throngs of women shoppers. Many retailers, therefore, consider it best to separate the men's department from the rest of the store and, if possible, to give the men's department a section of the first floor, partitioned off from the main store, with street entrances of its own.

It can reasonably be expected that the buying public will go to any part of the store in order to purchase essentials, and for that reason departments dealing in necessities are usually located above or below the first floor. High-priced merchandise not too dependent upon display logically belongs on an upper floor. There the customer can take his time, undisturbed by the busy crowds. The purchase of a suite of furniture under conditions favorable to sound reasoning is more likely to be satisfactory both to the customer and to the department store. In addition to a women's wear department and a misses' department, many stores now have an infants' wear department. This section is usually located on an upper floor, preferably close to a waiting room.

Grouping of Related Departments

The proper correlation of merchandise is a subject receiving constantly increasing attention on the part of large store retailers. If departments are advantageously grouped, each will help the sales of the other. While buying one article the customer is afforded a glimpse of a related article which may suggest an additional purchase. For instance, the placing of dress findings near the fabric department might be of mutual advantage in the way of increased sales. When necessary, sales persons in one section can more easily assist in adjoining departments if the articles of merchandise are related lines. An experienced merchant, recently interviewed, pointed out the psychological fact that a woman who has purchased a piece of chiffon, for example, is likely to be pleased and possibly a little flattered if the same clerk goes with her to the trimmings section and matches the material with lace or whatever the customer wants to use with the chiffon.

Physical Factors

Proper lighting, heating, and ventilating vitally concern all departments. The needs of the store must be carefully studied in order to insure the comfort of customers. Good working conditions are naturally conducive to a high degree of efficiency on the part of the sales force, and plenty of pure air, sufficient light, and no unpleasant drafts are recognized merchandizing economies. At best, however, some parts of the store will have more light than others, and in locating departments this fact must be taken into consideration.

The use of modern fixtures of standard low height makes possible a complete view of the main floor and in this way helps to equalize the advantages of all first-floor locations. Stores which have discarded tall, burdensome cases, with their tendency to obscure merchandise, have decreased the number of inferior locations and therefore experience less difficulty in satisfactorily allocating floor space to the various departments.

(To be continued)

AUGUST 1, 1932

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VOLUME 52 No. 15

U. S. Department of Agriculture

THE TOBACCO WORLD

YOUR CIGAR CONTAINER
Is one of your Salesmen

Success in the cigar industry today requires the best obtainable from every salesman. The sales force includes more than those who call on the trade, however. It comprehends in addition the value-giving quality of the product, the manner in which it is displayed, and the beneficial characteristics of the package itself.

The wooden cigar box holds a major place among those factors which aid cigar sales. It not only lends itself to the most attractive methods of display, but is long established as a most favorable container for the proper conditioning of cigars.

Manufacturers should consider the worth of a package which will foster and enhance the splendid values which they are putting in their cigars today. The wooden box is Nature's contribution to this accomplishment.

AUTOKRAFT BOX CORPORATION fabricates wooden cigar boxes of every type. Its products and its service must meet the strictest requirements of every order.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

Fashion Note
for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52

THE TOBACCO WORLD

Number 15

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, AUGUST 1, 1932 — Foreign $3.50

N. A. T. D. SECRETARY EXPLAINS AIMS OF ASSOCIATION

WE are in receipt of the following communications from the secretary of the recently organized National Association of Tobacco Distributors, who explains that the questions treated in the following letters he believes are in the minds of a good many other firms who find themselves in a similar situation.

The name of the firm writing to Mr. Jacobowitz is being withheld for obvious reasons, but we are glad to publish the letter and Mr. Jacobowitz's reply so that others may have the benefit of his explanation.

Copy of letter received from A. B.

Mr. Max Jacobowitz, Sec'y.
84 Montgomery St.,
Jersey City, N. J.
Dear Sir:

I have before me your circular letter of the 14th, enclosing application for membership in the National Association of Tobacco Distributors.

We were not represented at the meetings held in New York and Cleveland, because, in the first place, it was not entirely convenient to be away at that time, and in the second place, we prefer to stand on the side lines for the time being having seen the rise and fall of so many tobacco jobber's associations, which, so far as we can recall, fail utterly in its purpose to assist the distributors of tobacco products.

The National Association dues of $100.00 per year would be a very small price to pay if the Association can really do anything to correct the abuses that are sapping the lives of the tobacco distributors at the present time.

Considering the conditions prevailing here locally, I fail to see how a membership in your Association could in any way correct these conditions, and while we would be very glad indeed to co-operate to the fullest extent to bring about better conditions, we prefer to withhold the application until we know something more about the scope and aims of the Association.

I am, with best wishes for your success,

Very truly yours,
(Signed) A. B.

Copy of reply by Max Jacobowitz, secretary.

Mr. A. B.,
Dear Sir:

I am in receipt of your letter of the 20th and due to the importance of the thoughts you conveyed, I deemed it expedient to reply at once, in order to clarify the points at issue.

With that thought in mind, permit me to say that I appreciate your logic and heartily agree with you when you state that many organizations of tobacco

(Continued on Page 18)

FACTORY FOR HAVANA CIGARS IN TRENTON

TRENTON, N. J., will become a manufacturing center for internationally famous cigars, it became known last week when it was announced that four leading cigarmakers would move their factories to Trenton from Havana, Cuba. The move, it was announced, would make possible a reduction of approximately 50 per cent. in the retail prices of these high-grade products.

The four companies concerned are: Henry Clay and Bock & Company, Ltd., The Havana Cigar and Tobacco Factories, Ltd., Havana Commercial Company and H. de Cabanas y Carbajal; which make such world famous cigars as "La Corona," "Cabanas," "Henry Clay," "Villar," "Bock," "Manuel Garcia Alonso" and "La Meridiana."

The new factory for making these cigars is under construction, it was announced today by L. S. Houston, chairman of the Henry Clay and Bock & Company, Ltd., and it is expected that manufacturing will begin in the fall. The new factory, to include every modern innovation and sanitary improvement, will carry out a Spanish motif in keeping with the character of the products to be manufactured in it. In addition to the employment given during its construction, the new plant is designed for a force of approximately 1000 workers.

Chairman's Statement

In an earlier statement announcing this move, Mr. Houston said that the preparation of the tobacco for the cigars will be continued in Havana, and that the new plant at Trenton will be equipped to produce artificially the favorable atmospheric condition existing naturally in Havana. He further stated that as a result of this move, Trenton will become the center for manufacturing internationally known cigars, which have been the favorites of smokers the world over for from 75 to 100 years. In anticipation of increased sales at the lower prices, Mr. Houston said, the company has planned to increase their Cuban plantings during this year to 575 acres, representing a direct expenditure of about $800,000 and giving employment to hundreds of Cuban families, and that further increases in acreage are contemplated for 1933.

Trenton Found to Be Ideal

The decision of these companies to manufacture their cigars in the United States caused an investigation to be made of various cities best suited for their manufacture. The results of the investigation showed the City of Trenton to be an ideal manufacturing center with an abundance of skilled labor.

Inquiries were then made through the usual channels for a piece of local property suitably located with respect to the proximity of the workers. It was finally

(Continued on page 15)

PHILADELPHIA.

BAYUK EMPLOYEES HOLD OUTING

THE Sunshine Club, a welfare organization composed of employees of Bayuk Cigars, Inc., held their annual outing at Woodside Park on Saturday, July 23d, with between six and seven hundred employees and their families in attendance.

The day was favored with ideal weather and a glorious time was enjoyed by all those in attendance. Various sorts of games and contests were arranged by the program committee with appropriate prizes awarded to the winners.

One feature of the day was a baseball game arranged between the married men and the single men, with the single men defeating the married men by the score of five to one.

H. E. Johnson, Bayuk salesman, formerly stationed at Mount Vernon, Ohio, met with a painful accident last week when he suffered a fall down an elevator shaft and was severely bruised and shaken-up. He is expected, however, to be able to resume his duties again within a few days.

Roy Barkman, Bayuk territorial manager for Michigan, in a recent trip through the upper peninsular district of that State, obtained some splendid new placements for the Bayuk line.

The Hoffman Cigar Company, Norfolk, Va., Bayuk distributor, has recently had the assistance of G. R. Branzell, Bayuk territorial manager, and promoted a very successful drive on "Havana Ribbon" and "Mapacuba" cigars, which are exceedingly popular in that district.

The Neudecker Tobacco Company, Baltimore, Md., Bayuk distributors, were recently aided by George L. McGreevy, Bayuk salesman, in expanding the distribution and sale of Bayuk cigars in that territory.

F. J. Horning, Bayuk salesman, has just completed a very successful campaign on Bayuk products in connection with W. C. Knack, of Dixon, Ill., Bayuk distributor for that territory.

WEBSTER EISENLOHR REPORTS

Webster, Eisenlohr, Incorporated, reports for the quarter ended June 30, a deficit of $145,070, against a deficit of $126,726 in the same period of last year.

For the first half year, there was a deficit of $180,017 as compared with a deficit of $233,254 in the corresponding period a year ago.

Trade Notes

Congressman Harry Haines, well-known York County cigar manufacturer, was a recent visitor in town calling on the trade.

Karl Cuesta, accompanied by his factory representative, was as a recent visitor in town calling on the "Cuesta Rey" distributor, John Wagner & Sons, who are having a splendid call for this brand.

Steve Hertz, sales manager of the D. Emil Klein Company, was a visitor last week with samples of the new Klein Company brand, "Lawrence Barrett," to retail at five cents.

Abe Caro, sales representative of A. Santaella & Company, Tampa manufacturers of the "Optimo" brand, was in town on Tuesday visiting the "Optimo" distributors, Yahn & McDonnell. The "Optimo" brand is having a splendid demand here.

On Monday it was discovered that thieves had entered the exclusive Rittenhouse Club and stolen the entire stock of imported cigars from the cigar stand. Frantic efforts were made on Monday morning to replace the stolen stock, only to find that many of the sizes and brands could not be replaced at present, due to the shortage of these brands as a result of the prolonged cigarmakers' strike in Havana.

"Briggs" pipe mixture, a high-grade smoking tobacco manufactured by the P. Lorillard Company, has been taken on by Yahn & McDonnell for exclusive distribution in this territory. It is packed in an attractive tin holding one and three-quarters ounces to retail at fifteen cents. The tobacco will be placed in high-grade outlets only and with each original order an attractive counter display consisting of a small wicker basket containing six of the fifteen-cent packages and a display card will be given free.

OK-Miss America!
We thank you for your patronage
"It's toasted"
Your Protection—against irritation—against cough
TUNE IN ON LUCKY STRIKE—60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike features, every Tuesday, Thursday and Saturday evening over N. B. C. networks.
LUCKY STRIKE
CIGARETTE
Copr., 1932, The American Tobacco Co.

PHULOFAX GIVES FACTS ABOUT SUCCESSFUL RETAILING

AN OUNCE of tact is the source of wealth and one of the secrets of successful retailing, according to Phil M. Fulofax, D. B. I., expert in cigar retailing methods, who is associated with Bayuk Cigars, Incorporated, of Philadelphia. D. B. I.'s latest message arrived by air mail just before this issue went to press.

"Bigtown, U. S. A.—There are just two kinds of retailers, those who are successful and those who aren't. While I've been burning up miles of railroad track and sitting in on club car conventions, I have doped out a few of the characteristics which most successful retailers possess and I am sending them in for you to use as you see fit.

"1. Hard work, hand and head, but mostly head. The hand work to keep your place of business in order and conduct it properly. The head work decides what you can do to best advantage with the hand power available. It keeps your business ear close to the trend in business styles and directs your business dealings with your customers.

"2. Knowledge of the merchandise you sell—which means full appreciation of the true value you are offering your customer and some idea of the value offered by your competitors.

"3. Business personality is a combination of knowledge and head work. It is expressed in the style of store you present to the public, the type of sales people you employ and the quality and value of the merchandise which you offer to the buyer.

"4. Tact is the intangible ingredient which mixes all of these together into a solid business unit which functions successfully and smoothly. Or, if it is lacking, allows the others to disintegrate.

"The combination is almost as important to successful retailing as four wheels to a ritzy buggy. A wagon might travel a short distance on three wheels, but not very smoothly, and it certainly wouldn't get very far. Some fellows work their heads off, study up on their cigars, wear a cheerful smile, but stumble all over themselves, step on a man's pet corn and lose his trade on the spot.

"It takes tact to make a retailer whom everyone will like and from whom everyone will be glad to buy. Remember that all customers are not the men who come in, ask for a certain brand, expect a thank you in return and depart on their business. Some are crotchety and opinionated. Some are fussy and uncertain. It takes all types to make up a patronage, and the good retailer includes them all—wins them and keeps them. In a discussion with old Ed Friendly, who does a thriving, steady business, and whose customers return year after year, I jotted down some of his ideas on the subject.

" 'Never win an argument with a customer. His business is more important than your opinion on the tariff, prohibition, or the relative merits of domestic and imported leaf. Many a man enjoys a friendly discussion, but he never likes to take a beating, in talk or otherwise, and though the referee holds up your hand, he will never be really convinced.

" 'Respect your customer's taste. If he likes an inexpensive cigar, don't pass it across the counter with a haughty expression. If you want to jack up his taste, do it in some other way, but never make him feel he's a cheap skate. Treat your customers equally well, no matter which way they cross the railroad track to go home.

" 'Be a good loser. Go out to win a big sale, a box order; do your darndest; but if you lose, come up smiling and look pleased at the customer's quarter.

" 'Customers are human just as we are behind the counter. They don't like to have their tastes ridiculed, their convictions jibed at, or their purchases scorned. If you can always try to understand how it feels to be under his derby, you'll make lasting customers and friends as well.' "

ENGINEERING PERSONNEL AVAILABLE

THE Philadelphia Technical Service Committee, specializing in engineering personnel, invites inquiries from employers seeking the services of engineers, who can today create and develop the better business of tomorrow. Many of these men, now unemployed were recently the key men in their particular lines of endeavor, and will be eagerly sought after when the wheels of industry again turn more swiftly. They can today be made a part of your organiaztion at a substantial discount from their salaries of yesterday, to be your permanent employees of tomorrow.

Your selection is made from over 900 registrants, who have filed their record of education and experience with this committee, a group of technically trained men, able and willing to serve either as assistants or in more responsible positions.

Make the most of this opportunity, send in your requirements to the P. T. S. C. located at the Engineers Club of Philadelphia, 1317 Spruce Street, or telephone Pennypacker 5234.

The Philadelphia Technical Service Committee has the co-operation of the local sections of twelve national engineering societies, and is associated with the State Employment Commission of Pennsylvania. The personnel of this committee is composed of volunteers from among the unemployed engineers, who give of their time and effort without recompense.

Let your test of our performance convince you of the sincerity of our purpose. Attention is immediate, and confidence assured to employer and employee alike, without charge to either. The desire only is to serve.

DEISEL-WEMMER NOT TO ABANDON WAPAKONETA PLANT

Last week the Deisel-Wemmer-Gilbert Corporation announced its decisions not to abandon its Wapakoneta branch cigar factory, following an interview with a special committee of the Wapakoneta Chamber of Commerce, after rumors became current that the factory, closed May 30th, would never be reopened.

The shop was closed following a decision to temporarily discontinue manufacture until a more favorable time for staging a promotional program for their "El Verso" brand.

The Deisel-Wemmer-Gilbert officers asked the local committee that it bespeak for the corporation, its workers and its holding there, the indulgence and good will of the Wapakoneta people.

No statement could be given as to the probable date for resuming operation of the plant.

UNIVERSAL LEAF DIVIDEND

Directors of the Universal Leaf Tobacco Company, Incorporated, have declared a quarterly dividend of fifty cents per share on the common stock of the company payable August 1st to stockholders of record at the close of business July 21st.

FRESH!

Never parched or toasted

Camels burn slow and cool because they're fresh. Made fresh and kept fresh in the Camel Humidor Pack, they bring you the full fragrance and aroma of choice Turkish and mild sun-ripened Domestic tobaccos in prime condition. Switch to Camels for just one day, then leave them—if you can.

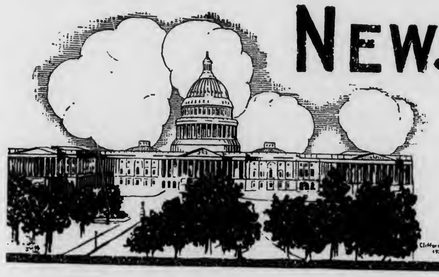
R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

CAMELS

***Made* FRESH—*Kept* FRESH**

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

FIRST revenues from the 1932 tax bill will reach the Treasury about August 1, covering the period from June 21, when most of the miscellaneous taxes became effective, to June 30.

Under the law, returns of those taxes which are collectible monthly are to be made on or before the last day of the succeeding month, so that the June returns will begin to come in during the last few days of July. In those cases where the tax is collected by the vendor who sells the article taxed, he is responsible for payment to the Government.

New revenues from manufacturers' excise, miscellaneous and stamp taxes for the year were estimated by the Treasury at $649,000,000. An average of $54,000,000 monthly, therefore, might be anticipated, but in many instances the revenues for the last third of June will not accurately represent the returns which may normally be expected, because of heavy sales of certain commodities, such as automobile tires, just before the taxes became effective, as purchasers sought to avoid the tax.

The initial return of the taxes, however, will enable Treasury actuaries to draw a fairly accurate picture of what may be anticipated.

Miscellaneous internal revenue collections during June under the old law amounted to $46,307,000, indicating that about $100,000,000 will be secured monthly beginning August 1.

Corporation tax collections by the Government during the fiscal year which ended June 30, last, amounted to $629,566,115, a decline of $396,826,533, or more than one-third, as compared with the fiscal year 1931, while individual income taxes totaled $427,190,581, a decline of $406,457,216, or nearly 50 per cent., it is disclosed by final figures just compiled by the Treasury Department.

Income, corporation and individual taxes amounted to $1,056,756,697 and were $803,283,799 lower than in the preceding year, it was shown. Receipts from miscellaneous taxes amounted to $500,972,345, a decrease of $67,215,911. The total of internal revenue collections for the fiscal year was $1,557,729,042, a drop of $870,499,711.

Practically all miscellaneous tax receipts were under those of the preceding year, the Treasury reported. Cigarette papers and tubes and grape brandy were the only exceptions, receipts from the former amounting to $1,700,502, an increase of $258,676. Total collections from tobacco were $398,575,618, a drop of $45,697,884, receipts from cigarettes being $317,533,080, a drop of $41,382,107; cigars, $14,207,679, a drop of $3,817,787; manufactured tobacco, $58,030,155, a drop of $346,786; and snuff, $6,846,301, a decrease of $344,164.

With recent indications pointing to an upturn in business, however, Treasury officials are confident that the receipts under the new tax law will closely approximate the estimates and continued industrial improvement will put them ahead of the amounts anticipated.

Efforts toward revision of the new tax law are expected to be made with the opening of the short session of Congress in December, experience already indicating that some of the levies should be eliminated or amended for one reason or another.

The drive is expected to center largely on the bank check tax, which has already been the subject of much criticism. Although in operation only a few weeks, this tax has already had ill effects, principally in encouraging hoarding. It is pointed out that after the Government had expended months of effort in reducing the volume of currency outstanding, in its campaign against hoarding, and had materially reduced the amount, the check tax has resulted in a heavy increase in the volume of currency outside the Treasury, due in part to the use of money for the settlement of debts instead of checks, on each of which a tax of two cents would apply.

There is also much complaint regarding the tax on electricity consumed, it being pointed out that in all sections of the country efforts have been under way to secure reductions in the charges of public utility companies and that much of the reduction in electric rates which have been accomplished has been swallowed up in the tax, which must be paid by the consumer.

It is also developing that many of the miscellaneous taxes are going to return so little revenue as not to justify their continuance. This applies, of course, to the levies on luxuries, sales of which, in some lines, have dwindled materially since passage of the tax bill. The cost of collecting some of these revenues, it is said, is going to be almost as much as the revenue itself.

Production of wooden cigar boxes in 1931 was but 9 per cent. below that of 1929 in number, although the value declined 24 per cent., it is shown by figures just compiled by the United States Census Bureau.

Few industries, it is indicated by the census reports so far available, were able to make as good a showing as the cigar box industry, the bulk of them reporting declines running from 25 to nearly 50 per cent. in their output.

(Continued on Page 16)

TOBACCO IS CHEAPER

why not cigarettes?

SINCE our price reduction was announced last March, Wings have steadily increased in volume. If you have already stocked Wings, you know they are moving fast. If you haven't, NOW is the time to do so. Order from your jobber today.

BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KY.

Target Cigarette Tobacco, Golden Grain Smoking Tobacco, Raleigh Cigarettes and Sir Walter Raleigh Smoking Tobacco are others in the well-known group of B & W products.

SCHULTE COMPANY DIRECTORS IN SUIT

CHARGING nine directors of the Schulte-United Five-Cent to $1 Stores, Incorporated, known as the Schulte Company, with false representations in selling stock to the public, the assignees of 477 claims of stockholders filed suit in the New York Supreme Court for $636,964 damages.

The assignees, Charles H. Morris, Ralph B. Van Wormer and Clinton W. Gray, named as defendants David A. Schulte, Charles, George J. and Sidney S. Whelan, William T. Posey, Jesse Harte, Harry Goldvogel, Charles C. Nicolls, Jr., and A. N. McFadyen, with five corporations which the complaint alleges Schulte dominated and controlled, along with the Schulte Company.

The corporations are the United Cigar Stores Company of America, Tobacco Products Corporation, Park & Tilford, Incorporated, Union Tobacco Company and the Schulte Retail Stores Corporation.

The formation of the Schulte company was announced January 10, 1928, and, February 2, 1928, the complaint recites, six of the individual defendants "entered into a fictitious underwriting agreement with the Schulte company," whereby the five directors were to receive 60,000 shares of a proposed new issue of 100,000 shares of common stock as a bonus for the underwriting.

In advertising that the Schulte Company "is establishing a chain of stores throughout the country," the complaint added, "the defendants concealed the fact that it was organized and conducted 'purely as a holding company.'"

The defendants are also accused of concealing the fact that none of the preferred stock of the company was underwritten by anybody "and the pretended underwriting to the extent of guaranteeing payment of the first installment on preferred stock was misleading." The preferred stock was sold at $100 per share.

The suit charges that the defendants caused to be issued to themselves 481,000 shares of common stock at $1 each and "unknown to the investing public, this great issue of common stock was overhanging the market like a cloud."

In publishing in the newspapers a prospectus regarding the new issue, the defendants made a "false and misleading" statement, the complaint continues, that "the price of $21 a share was payable in full, four days after notice of allotment." A split-up of $1,260,000 was charged to four of the accused.

The complaint asserts the stockholders were misled, and that the stock is worthless.

BRITISH SMART SET SMOKING PIPES

The smart young women of Brighton, time-honored British seashore resort, have taken to pipe smoking, and Brighton tobacconists wish they knew exactly what to do about it.

A few months ago the girls all were smoking mannikin cigars, but that didn't last long and the tobacco dealers would like to know how long pipe smoking is going to last before they lay in a supply of expensive fancy meerschaums and swan-necked calabashes.

IMPERIAL TOBACCO DIVIDEND

The Imperial Tobacco Company of Great Britain and Ireland this week reduced the interim dividend on ordinary shares to 6½ per cent. against 7 per cent. paid previously at this time.

FISCAL YEAR WITHDRAWALS FOR CONSUMPTION

	Fisc. Yr. Ending June 30, 1932		*—Decrease +Increase Quantity*
Cigars:			
Class A—U. S. ..	3,614,079,565	—	9,830,735
P. R. ..	92,466,765	—	55,776,555
P. I. ..	172,928,330	+	15,004,965
Total	3,879,474,660	—	50,602,325
Class B—U. S. ..	69,329,824	—	250,117,953
P. R. ..	827,850	—	2,193,650
P. I. ..	1,042,429	—	395,842
Total	71,200,103	—	252,707,445
Class C—U. S. ..	1,110,100,660	—	505,765,074
P. R. ..	4,591,694	—	4,339,212
P. I. ..	422,210	—	543,132
Total	1,115,114,564	—	510,647,418
Class D—U. S. ..	69,398,184	—	38,743,677
P. R. ..	19,700	—	30,500
P. I. ..	5,502	—	4,488
Total	69,423,386	—	38,778,665
Class E—U. S. ..	9,885,570	—	9,396,390
P. R. ..	500	—	3,100
P. I. ..	20,567	—	49,274
Total	9,906,637	—	9,448,764
Total All Classes:			
U. S. ..	4,872,793,803	—	813,853,829
P. R. ..	97,906,509	—	62,343,017
P. I. ..	174,419,038	+	14,012,229
Grand Total	5,145,119,350	—	862,184,617
Little Cigars:			
U. S. ..	302,011,973	—	58,846,827
P. R. ..	4,750,000	—	2,300,000
P. I. ..	.....		.....
Total	306,761,973	—	61,146,827
Cigarettes:			
U. S. ..	105,914,055,389	—	13,718,216,561
P. R. ..	6,814,700	—	11,856,300
P. I. ..	1,796,537	—	454,406
Total	105,922,666,626	—	13,730,527,267
Large Cigarettes:			
U. S. ..	4,473,044	—	1,881,439
P. R. ..	815,500	—	1,544,500
P. I. ..	1,200	—	5,600
Total	5,289,744	—	3,431,539
Snuff (lbs.):			
All U. S.	38,034,923	—	1,967,666
Tobacco (Mfd.):			
U. S. (lbs.)	322,542,415	—	1,726,447
P. I.	1,056	—	523
Total	322,543,471	—	1,726,970

HENRY CLAY AND BOCK AGENCY PLANS

PLANS whereby dealers in the formerly imported brands of Henry Clay and Bock & Company, and which will be manufactured in Trenton, New Jersey, in the future, will be selected, has been announced in a letter forwarded to selected dealers by Faber, Coe & Gregg, Incorporated, United States distributors for the brands.

Following is the text of the letter:

"Gentlemen:

"Henry Clay and Bock & Company, Limited, have announced their decision to transfer the manufacture of their international brands from Havana to the United States. The most important of these brands are 'La Corona,' 'Bock & Company,' 'La Carolina,' 'Cabanas,' 'Henry Clay,' 'Villar y Villar,' 'Manuel Garcia Alonso.'

"The preparation and blending of the tobaccos for these brands will be continued in Havana as heretofore, and under the same direction and supervision. Only the rolling and packing will be transferred to the new Customs Bonded Factory in the United States from which will be supplied the requirements of both the domestic and foreign markets. Under these conditions the manufacturers guarantee the continued use of the identical Havana tobacco heretofore employed and absolute maintenance of the quality standards which have made these brands famous the world over.

"This company will act as wholesale distributors for these famous international brands throughout this territory. In order that their sale and active promotion may represent an important franchise to the retail dealer having the necessary high-grade location, we have decided to market these cigars exclusively through retail sales agencies, which will be established at convenient locations throughout the territory. Such agents will sell the cigars for our account at fixed retail prices, and under definite conditions of an agency appointment. The cigars will not be distributed through any other channels.

"It is expected that these new goods will be available not later than September 1 next. Between now and August 15th we desire to establish the necessary retail appointment to make them available for the public and invite tentative applications for such agencies among the retail trade. We reserve the right to accept or reject any such application. On receipt of your application, full details of the agency appointment will be submitted for your consideration, but without obligation on your part to accept the agency if the terms of the appointment do not have your approval.

"That you may fully grasp the importance of this step, we give you the following retail prices which will apply to a few of the staple sizes and will represent substantial reductions in the prices of the 'La Corona' brand: Belvederes fifteen cents, Perfectos three for fifty cents, Coronas Chicas twenty cents, Obsequios twenty-five cents, Corona Coronas three for one dollar.

"The proposed sales agency represents our effort, through these important international brands, to revive the high-grade cigar business on a profitable footing for the retail dealer. We ask your earnest co-operation for the success of this endeavor.

"The return of this letter with your signature and address at the foot thereof will be recognized as an application for appointment as an agent for these international brands.

"Very truly yours,

"A. H. Gregg, President."

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(*This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.*)

BUDGETARY CONTROL IN RETAIL STORE MANAGEMENT

(*Continued from previous Issue*)

Another factor to be used in determining the time to buy is the length of time of delivery from the source of supply. If it takes two weeks to obtain one article and a month to obtain another, this difference is of course considered at dates of ordering the two articles. The method of transportation which is to be used must also be taken into account. For example, express and parcel-post delivery services are more rapid than freight, but much more costly. The condition of production in the market, labor in the industry, and mediums of transportation, and the normal delivery period together give further data for arriving at the exact time to purchase.

The amount of any particular type of product which will be demanded is much more difficult to ascertain in the case of style goods than in that of staple goods. However, the sizes, price, and strength of brands can be considered in the further analysis of the sales quotas to aid in determining the amount to purchase.

In the control of purchases of style goods, however, the history of a particular style from its inception until its death plays a most important part. As soon as the warning is given, by diminished sales, that the popularity of the style is on the wane, this fact should be noted and registered upon the open-to-buy record. The fact that style goods of some departments have a more rapid rate of turnover than styles of other departments must not be overlooked. Further analysis along the lines suggested in connection with the subject of stock turnover under staple goods may prove valuable.

The danger of loss in good will from being without style goods is said to be less than from being without staple goods. At the same time the loss from carry-over of style goods is likely to be much more. Therefore, it is not so necessary to have a normal inventory at the end of the life of the style.

Past records of delivery, the reputation of the company which supplies the particular style, and the other factors suggested all help in determining the length of delivery period in connection with this type of goods.

Operating-Expense Budget

The purpose of the expense budget is to find and to stop the leaks. Small leaks, when duplicated many times, justify minute analysis. The appropriateness of the proverb, "A small leak may sink a great ship," is apparent. For the purpose of more careful control, the expense budget may be divided into advertising, delivery, labor, sundry expenses, etc. Only the first of these subdivisions will be considered in detail.

The sales budget establishes a minimum goal, as it were, while the expense budget establishes a maximum. The two sources of profit are (1) increase of the product of sales times gross margin, and (2) decrease of expenses. One may be as fruitful as the other. The latter, however, has become of particular importance to department stores in the last few years, due possibly to increased operating expenses which have resulted partly from growing competition and the inability to use large-scale buying power as a means of securing the most favorable terms from the producer.

The principles of procedure for the control of expense are classification of expenses, establishment of expense budget by relation of expenses to sales, and the establishment of a method of control. Expenses should be classified by departments into selling and nonselling.

Accountants have done much in the classification of accounts for the adequate recording of expenses. A system which is satisfactory for recording what has taken place is likely to prove satisfactory for recording what is expected to take place.

Expenses within the departments should be divided into direct material and labor, proportionate part of the indirect material and labor, and general administrative expense. These expenses must be subdivided into fixed, those which vary directly, and those which vary partly with sales.

In the preparation of the final budget sheet, the expenses of the nonselling departments should be allocated to the selling departments.

To estimate the expenses which vary partly and those which vary directly with sales, the relation between sales and expenses must be established. Past experience, changes of policy based upon standards of accomplishment in the industry, the influence of periods of depression, prosperity, and the intermediate stages are factors in establishing the relation of the various items of expenses to sales volume. An accounting system which will disclose the needed data is requisite for accurately establishing the relation of past expenses to past sales. In regard to the second factor, some progress in the collection of statistics and the establishment of standards has been made by private associations and universities. Doubtless much more of this type of data will be available in the near future.

The fact of the variability of expense ratios in the cycle of events from depression through prosperity and back to depression again is best proved by the citation of the results of a study by Cecil E. Frazer, as reported in the *Harvard Business Review* for January, 1923:

The important points which emerge from this examination of operating expenses in the various retail . . . businesses are (1) the manner in which operating expenses tend to fluctuate closely with the sales on a rising market, as indicated by the small variations in the ratio of expense to net sales; (2) the sharpness with which the percentage of operating expenses to net sales rises on a falling market, as shown by the increases in these items in 1920 and 1921; (3) the decline of the percentage of gross margin to net sales in

(*Continued on Page 14*)

ALL TOBACCO PRODUCTS DECLINE IN JUNE

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of internal revenue collections for the month of June, 1932, and are issued by the Bureau. (Figures for June, 1932, are subject to revision until published in the annual report):

Products	*June 1931*	*June 1932*
Cigars (large):		
Class A.....No.	360,743,270	316,382,980
Class B.....No.	11,557,014	4,369,540
Class C.....No.	136,112,290	74,478,422
Class D.....No.	8,105,331	4,949,995
Class E.....No.	995,754	225,219
Total	517,513,659	400,406,156
Cigars (small) .....No.	38,016,521	23,639,493
Cigarettes (large) ...No.	567,930	395,515
Cigarettes (small) ...No.	11,508,062,422	10,560,212,050
Snuff, manuactured ..lbs.	3,334,973	3,061,541
Tobacco, manufact'd .lbs.	27,751,364	27,616,554

NOTE: The above statement does not include tax-paid products from Puerto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Porto Rico for the month of June:

Products	*June 1931*	*June 1932*
Cigars (large):		
Class A.....No.	12,923,350	9,213,275
Class B.....No.	132,750	5,100
Class C.....No.	441,350	108,550
Class D.....No.	15,000	200
Total	13,512,450	9,327,125
Cigars (small) .....No.	1,500,000	250,000
Cigarettes (large) ..No.	350,000	25,000
Cigarettes (small) ..No.	500,000	200,000

Tax-paid products from the Philippine Islands for the month of June:

Products	*June 1931*	*June 1932*
Cigars (large):		
Class A.....No.	16,764,940	13,597,325
Class B.....No.	85,090	17,503
Class C.....No.	41,198	4,310
Class D.....No.	60	.....
Class E.....No.	100	2,490
Total	16,891,388	13,621,628
Cigarettes (small) ...No.	208,000	160,497
Tobacco, manufact'd .lbs.	112	91

NOTE: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Supplement to the June Statement of Internal Revenue Collections

Objects of Taxation	*Fiscal Year 1931*	*Fiscal Year 1932*
Tobacco manufactures:		
Cigars	$18,296,111.14	$14,434,188.48
Cigarettes	358,961,003.48	317,564,739.73
Snuff	7,190,466.16	6,846,301.69
Tobacco, chewing and smoking ...	58,376,942.03	58,030,155.75

"Oh Yeah? BUT SCIENCE SAYS O. G. IS THE BEST CIGARETTE"

In 75 repeated tests made of four leading cigarette brands ... measuring the heat content of each cigarette by the Calorimeter method ... it was shown that OLD GOLD is from 112 to 156 B. T. U's. COOLER than the other brands. That's why O. Gs. are cooler and do not scratch the throat or taint the breath.

© P. Lorillard Co., Inc.

PURE TOBACCO · NO ARTIFICIAL FLAVORING

"BEST OF THE BEST"

OPTIMO VERY MILD CIGARS VERY MILD

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

NEW VICE-PRESIDENT FOR BROWN-WILLIAMSON

E. M. Stokes, director in charge of manufacturing operations, has been elected vice-president of the Brown & Williamson Tobacco Corporation, manufacturers of "Raleigh" and "Wings" cigarettes, "Sir Walter Raleigh" smoking tobacco, etc. R. A. Hanner, credit manager, has been elected a director of the corporation.

RETAIL STORE PROBLEMS

(*Continued from page 12*)

periods of inactive business because of competition on a price basis and the necessity for taking substantial reductions on inventories in order to move stocks; (4) the tendency of most merchants not to increase their rate of stock-turn in times of prosperity in order to reduce expenses and prepare themselves for periods of depression.

Operating Expenses and Profits in Department Stores [1]

Items	*1920*	*1921*
Salaries and wages	14.1	15.1
Rentals	2.1	2.6
Advertising	2.1	2.4
Traveling	.3	.4
Losses from bad debts	.1	.2
Other expenses	7.0	7.1
Total expense	25.7	27.7
Gross margin	27.4	29.0
Net profit [2] (per stock-turn)	1.7	1.3
Stock-turn	3.4	3.3

The practice of attempting to reduce expenses unduly during the time of a falling market may lead to dire results and may defeat its own purpose.

In the control of expenses the budget may be used as a maximum limit (absolute for the budget period, or from month to month) or as merely a desirable attainment. A modification of the former use of the budget is to allow variations from the established plan upon the petition of a major executive.

Not only, however, is it essential to control as far as possible the income and outgo, but to plan for long-time and short-time financial requirements. A company may be practically unable to meet its financial obligation, although theoretically—according to its books—it is solvent. From another angle, a company may be able to raise money on the spur of the moment to eliminate an embarrassing financial situation, but the failure to have made adequate preparation may mean a much higher interest cost than should have been necessary.

By the coordination of the individual budgets, the finances of the business can be planned. This may or may not be considered as a separate budget. To plan the cash requirements, the estimated cash disbursements must be balanced against the estimated cash receipts. Past experience and changes in method of payment of invoices are the important elements to use in conjunction with the expense and merchandise budgets in determining the expenditures. The records of past experience and changes in the credit and collection policy and credit terms determine the relative amounts of cash and credit sale. By this operation the cash expected from the major source of income may be derived. By collecting the data from the merchandise and operating expense budget in the form of an operating statement and balance sheet, an estimate of profits for the period may be obtained.

Advertising Budget

The advertising appropriation is not new. In most respects this is no more and no less than an advertising budget. In fact, it may be considered as the embryo of the present advertising budget. The difference between the two lies in the method and detail of calculation of probable advertising expenditures.

There are two major sources of demand-creating power from advertising—(1) tangible factors and (2) intangible factors. The success of either is dependent upon the force and results of its suggestibility. The most important factors under the first source are (1) choice of mediums, (2) size of individual layout, and (3) number of issues. Elements which determine the character of the copy and layout constitute the factors of the second. Establishment of the objective of the demand-creating aid is of primary importance in the computation of the advertising budget. When the purpose is determined, the tangible and untangible factors required to give results can to a large degree be determined. In computing the former, there must be taken into account such elements as changes in advertising policy, based upon market analysis; the relation of past advertising to sales, noting the effect of variations in the market from buyers' to sellers' and back again, in conjunction with the estimated sales; and cost of advertising in light of results.

Since the past results and future expectations will be based upon averages and not upon individual sales effort, the intangible elements will not have to be considered in the estimate for the budget, unless there is a change in the personnel which provides copy. However, in case of a change of personnel, it may be feasible, by the sampling or test method of measuring advertising results, to estimate the difference in the suggesting power of the revised copy. It is obvious, however, that this latter scarcely justifies the assumption of accurate quantitative measurement.

Upon the basis of the advertising budget contracts may be let.

Advantages and Disadvantages of Budgetary Control

The construction of a budget depends upon the ends to be accomplished. Preliminary steps in construction and installation must be logically and completely thought out in light of the objectives. Examples of the type of problems which must be solved are the determination of the length of the budget period and the degree of cooperation which can be assured. In department stores the usual budget period is six months, but modifications may be made each month. The degree of cooperation is determined in large part by the manner in which the budgetary control plan is presented to subordinates.

In operation the preparation of estimates and reports so as to show the comparison of actual with estimated results, and the placing of synchronous authority and responsibility for accomplishment, is essential for adequate control. A central committee or executive should be in control of the preparation and operation of the final budget. This is of real value in the proper coordination of the constituent elements of the budget and the enforcement of the estimates.

The successful operation of the budget depends upon the accuracy of the predetermined calculations, the elasticity of the budget to meet changing conditions, the promptness with which action is taken when variations from the budget disclose weaknesses in the operation, and the cooperation of executives and employees.

In the ultimate analysis, the purpose of a retail store is to make profits for its owners. Therefore the relative costs of operation and installation of a budgetary control system in relation to the savings it makes possible is a prime consideration. Unfortunately very little information is available upon this important phase of the problem. However, the results of a questionnaire sent out by a large retail dry-goods association showed that the general opinion of those using even the partial budget was that the results justified

(*Continued on Page 16*)

[1] Harvard Business Review, January, 1923.

[2] Annual net profit: $1.7 \times 3.4 = 5.78$; $1.3 \times 3.3 = 4.29$.

HAVANA CIGAR FACTORY IN TRENTON

(*Continued from Page 3*)

decided to purchase the large plot, comprising 54,944 square feet, bounded by Grand Street, Virginia Avenue and Smith Street. This tract has sufficient area to create an environment in keeping with the high-grade products which will be manufactured there. A considerable area of the plot will be landscaped to harmonize with the general character of the dwellings, with their grass plots, in the immediate neighborhood.

Plans were prepared by the architects, Francisco and Jacobus of New York and Chicago, who have designed and supervised the construction of similar buildings in the past, and who are thoroughly conversant with the particular requirements.

The manufacturing plant will be so located that the triangular piece of land on the front or north side of the building will lend itself to attractive landscaping treatment. On the south or rear side, there will be ample room for shipping and parking. The additional space between the sidewalk and the building will enhance the beauty of the building.

Approaching the building from Grand Street or Virginia Avenue through the area set aside for a park, the entrance will lead into an appropriate environment, expressed by the Spanish motif used in the general design of the building. Through the large gates between Spanish towers, the way will lead to a patio, with tile walks and grass on each side of a central reflecting pool, which will be fed by the fountain located between winding steps leading to the loggia at the south end of the patio. Upon mounting the steps and entering this loggia, there will be seen the entrance to an attractive reception room, in the design and decoration of which the Spanish feeling predominates. This reception room will be connected with the offices and the manufacturing areas.

The Building Described

In general, the building will be U-shaped, and will partially surround the patio. The east and west wings will consist of a high basement, well lighted by windows, and two manufacturing floors. These wings are designed to make possible a future additional floor and the building proportions are so arranged that this addition will not disturb the beauty of design. The main building, running east and west, at the south of the two wings and the patio, will consist of the basement, three manufacturing floors and a recreation and dining room on the fourth floor.

The basement, as well as a portion of the first floor, will be used for storing and opening the tobacco.

On the first floor, in addition to the operations indicated above, there will be the shipping departments, locker rooms for both men and women, first-aid rooms, office space and the reception room. The locker rooms will provide modern equipment for the comfort and convenience of the employees. The offices for the clerical force are carefully laid out to meet their requirements, and the special offices for supervisory and executive functioning are properly co-ordinated for the work required. The first-aid rooms will furnish every necessity and convenience for the proper relief of an employee. The reception room, with its air of old Spain, will introduce each visitor into an atmosphere of calm in keeping with the effect of the product to be manufactured.

The second floor will be used entirely for manufacture, and every attention has been given to light, air and cleanliness. The manufacturing floors will be under humidity temperature control at all times. This provision of controlled humidity and temperature is a vital factor and one which makes possible the location of this factory in Trenton.

The third floor of the main building, devoted to the completion of the manufacturing operations, is designed to have the natural lighting arrangement which will give the best results from the standpoint of product and employees.

On the fourth floor of the main building will be a restaurant and rest room. Here again the Spanish feeling will prevail in the decorative treatment, with its vines and trellises, on the exterior walls and its high casement windows.

Cleanliness Emphasized

To carry out the general underlying principle of cleanliness, the building will be designed throughout with sanitary bases and coved ceilings, rock maple floor, the latest type of toilet room fixtures, metal partitions and tile floors. In the wash rooms there will be provided ceramic tile floors, individual lavatory, hot and cold water, liquid soap service and sanitary drinking fountains. Here again the sanitary base and coved ceiling will carry out the underlying thought of cleanliness.

In the execution of the project, the owners and architects have carried out an economical design combining maximum utility with architectural beauty. The building, which will be completed in the fall, will not only furnish employment during construction but will employ many workers who will spend their working hours in a most pleasant environment.

EARLY SMOKERS AMAZED CROWDS

SMOKING is such a common sight today it is hard to believe people once gathered on the streets and gazed upon it with amazement. Yet less than four centuries ago the men and women of London assembled in crowds, according to historians, to witness tobacco smoke issuing from the mouths and nostrils of the sea captains, who learned the solace of smoking from the Indians on their visits to America. Thomas Hariot, one of the party accompanying Sir Richard Grenville to Virginia in 1585, tells how he and his companions were introduced by them to the enjoyments of smoking in "A Brief and True Report of the New Found Land of Virginia." "We ourselves," Hariot said, "tried their way of inhaling the smoke."

Hariot and his friends were obliged to smoke strong, harsh tobacco only crudely prepared for smoking because that was all they could get at the time.

Since then amazing changes have taken place in the cultivation of tobacco and manufacture of cigarettes, which have made available fine, mild tobaccos, from which certain impurities are then removed by the toasting process including the use of ultra violet rays. Hariot would find such cigarettes a far cry from the raw, crude tobaccos with which he and his companions were initiated into the practice of smoking a few centuries ago.

GENERAL COMPANY IMPROVING YORK PLANT

The General Cigar Company has a force of workmen renovating the first floor of their plant at York, at Penn and Smyser Streets.

It is understood that the General Cigar Company will locate its own printing plant in that city and work is being rushed on the project. The building was vacated July 1st by the Kenneth L. Cox leaf tobacco firm.

News from Congress

(Continued from page 8)

Preliminary figures just made public by the bureau place the number of wooden cigar boxes produced in 1931 at 86,824,000 against 95,066,106 in 1929 and the value at $8,585,000 against $11,300,842. Other activities of the factories engaged in this industry declined 69 per cent., from $1,158,583 in 1929 to $360,000 last year. The figures on cigar box production, it is pointed out by the bureau, may not be entirely accurate due to the possibility that some manufacturers included in their reports data for cigar boxes made partly of materials other than wood.

The report shows that the number of establishments engaged in the industry declined 20 per cent. between 1929 and 1931, from 118 to 95, while the average number of wage-earners declined 13 per cent., from 4374 to 3800, and the annual wage payments dropped 27 per cent., from $3,507,711 to $2,577,000. The cost of materials, fuel and purchased electric energy dropped 33 per cent., from $5,238,209 to $3,506,000.

RETAIL STORE PROBLEMS

(Continued from page 14)

the expenditure. The estimates of the exact cost of operation of a merchandise budget ranged from no additional expense to $150 per week. Obviously the variation in the elaborateness of the system would make a great deal of difference in the absolute amounts of the additional expense.

Recognized Difficulties

Difficulties of budgetary control which must be recognized are:

1. The budgetary program is based upon estimates. The difficulties of preparation of the sales budget are caused by—
   (a) Difficulties in forecasting—
      (1) Market fluctuations.
      (2) Seasonal fluctuations.
      (3) Weather conditions.
      (4) Lack of standardization of products.
      (5) Complication by style goods, which makes past records somewhat incomparable.
      (6) Lack of statistics of sales to start with.
   (b) Difficulties in establishing relations between sales and expenses and sales and purchases.
2. Budgetary plans will not execute themselves.
3. Administration can not be replaced by budgetary control. The use of the budget system may result in too little emphasis on other methods of managerial control.
4. Budgetary control can not be perfected immediately.
5. Danger of expecting too much from the budgetary system, especially at first.
6. The expense of operation may be very considerable, if not watched closely.
7. Flexibility, which is essential to successful operation, may lead to a disregard of budget altogether.
8. Difficulty of gaining cooperation of various functionaries.
9. Danger of being "ironclad," which may lead to too much "red tape."

Advantages

The advantages which should result from the proper construction and functioning of a budgetary system are as follows:

1. Budgetary program makes possible—
   (a) Construction of a profitable sales program.
   (b) Coordination of sales and purchases.
   (c) Coordination of sales and purchases with finances.
   (d) More direct control of expenditures.
   (e) Formulation of financial program.
   (f) Coordination of all the activities of the business.
2. Budgetary program encourages—
   (a) More careful thinking.
   (b) Discipline, by requiring speedy and accurate reports.
   (c) Concurrent competition and cooperation among employees.
   (d) Explanation of increased expense or decreased sales.
3. Activities of the budget in its role as detective—
   (a) Stock control; detection of slow movers.
   (b) Detection of sources of stock shortage.

Conclusion

In conclusion, it must be recognized that it is not essential that all of the suggested budgets be instituted at once or that all parts be used. The system, however satisfactory, must never be looked upon as complete and the most perfect, but always as an advance toward a more perfect control.

It may be feasible to estimate only total sales at first. Then they may gradually be broken down into departments and subdivisions of departments. Next, a merchandise budget may be instituted, which deals only in rough departmental totals in money volume. Later the divisions of control may be broken down and both physical and monetary volume computed. After this the operating expense budget may have its turn at evolving into a polished plan. Expense may be deemed more important than stock and purchase control, and therefore the expense budget may be developed before the merchandise budget. But in any case, planned sales, no matter how superficial the estimate may be, must be the starting point.

Making haste slowly and building carefully each step, with eyes always focused on the ultimate goal, are the true means for the establishment of a successful system of budgetary control.

(To be Continued)

INTRODUCE NEW BRAND BY MESSENGERS

On July 18th a novel idea was used to introduce a new brand of cigars to wholesalers in New York, New Jersey and Connecticut. Simultaneously jobbers in forty cities in those states were visited by uniformed Western Union messengers who presented them with a sample box of "Cadillac" cigars and a telegram reading as follows:

"Good morning. We are presenting the finest nickel cigar in the market, the 'Cadillac' long filler Sumatra wrapped, selected with great care, backed by forty years' manufacturing experience, for jobbers exclusively. Our prices, plus 'Cadillac' quality, are sure to create more sales. Telegraph, telephone, or write for details."

The plan was sponsored by the Plymouth Trading Company, of 542 Fifth Avenue, New York City.

DOWNY MILDEW DISEASE SERIOUS

TOBACCO downy mildew, known in many regions as "blue mold," which appeared in seed beds in Florida, Georgia, Louisiana, South Carolina, North Carolina, Virginia and Maryland last year after disappearing ten years ago, advanced further northward this year and has proved more dstructive than a year ago, the United States Department of Agriculture reports.

The mildew was particularly serious in Georgia, the department says. It was found this year as far north as Lancaster County, Pennsylvania, and again in Maryland, Virginia, North Carolina, South Carolina, Georgia and Florida. The effect of the disease on this year's crop is uncertain although in all the States mentioned except Pennsylvania the shortage of plants as a result of the disease materially retarded planting and in many cases was responsible for poor stands and reduced acreage.

Downy mildew, which is caused by the fungus *Peronospora hyoscyami*, is chiefly a seed bed disease and very little of it is found in the field. The disease has long been known in Australia. It does not thrive in hot weather. It is very difficult to control and the department as yet has no control measure to advise to farmers. It is experimenting with sprays and scientists hope to develop a spray or other method which will control the disease. In Australia the tobacco growers attempt to meet the situation by planting seed beds at different times and choosing plants from the healthiest seed beds.

Tobacco disease specialists of the department hope the disease may repeat its former history and disappear. It threatened the seed beds in Georgia and Florida in 1921, but disappeared after that and was not found in this country until last year. The fact that comparatively little has been found in the fields this year leads to the hope that the disease may again disappear.

LORILLARD TRUCK ROBBED

On Monday Robert Carney was driving a truckload of cigarettes from the P. Lorillard Company plant in Jersey City to Brooklyn, and when he reached Second Avenue and Thirty-ninth Street, he was accosted by a man in a police uniform who asked what was in the truck. The driver replied, "Cigarettes" and obligingly opened the back of the truck to show the officer. Whereupon the supposed officer immediately covered the driver with a gun and three accomplices appeared to assist.

Two of the men forced the driver and helper into a sedan and two men drove away with the truck containing cigarettes valued at $25,000. Carney and his helper were driven to Locust Avenue and One Hundred and Seventy-ninth Street, St. Albans, where they were pushed from the car, and immediately reported the robbery.

BROWN & WILLIAMSON ON TWENTY-THREE-HOUR SCHEDULE

According to a recent announcement, the Brown & Williamson Tobacco Corporation, Louisville, Kentucky, has adopted a twenty-three-hour daily basis of manufacturing operations in order to keep up with the mammoth sale of their products, "Wings" cigarettes and "Golden Grain" smoking tobacco. New machinery has been ordered, and some already installed, to speed up production.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

75% NOW PUFFING FIVE-CENT CIGARS

Three out of every four cigar smokers are now puffing five-cent cigars, according to the latest official Government figures.

While the new tax figures for the month of May of this year show that the consumption of five-cent cigars was somewhat less than for the same period in 1931, the decline is much less than that shown in most other forms of tobacco. Especially in the cigar field, the sanitary nickel cigar continues to get an increasing share of the total business.

While the steady demand for the nickel smoke is in part due to economic conditions, cigar experts point out that the popularity of the five-center likewise has been due largely to improvements in manufacturing which have made possible not only a good cigar at a moderate price, but a cigar offering greater sanitary protection than was possible under the old fashioned hand methods. So elaborate have been the methods evolved to insure the ultimate in health protection that one five-center has become known as the only cigar in the world finished under glass.

The United States Internal Revenue figures show that in May of this year, nickel cigars comprised over 77 per cent. of the total cigars smoked, while in the same month of 1931 they accounted for only about 67 per cent. of the total.

The fact that the five-cent cigar has been recognized as safe and sanitary, experts believe, has resulted in a sustained demand for it.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

JONES BEACH:—46,057. For cigars. July 14, 1932. Jacob Stahl, Jr., & Co., New York, N. Y.

TRANSFERS

HILIAN:—43,602 (T. M. A.). For cigars. Registered November 13, 1923, by C. H. Hilbert & Co., New York, N. Y. Transferred by C. H. Hilbert & Co., Inc., to Karl O. Nesslinger, New York, N. Y., July 6, 1932.

WM. E. BAXTER:—28,455 (United States Tobacco Journal). For cigars, cigarettes and tobacco. Registered March 7, 1904, by O. L. Schwencke Litho. Co., Brooklyn, N. Y. Transferred by The Moehle Litho. Co., Inc., successors to original registrants, to Bobrow Bros., Inc., Philadelphia, Pa.

A. M. WILLARD:—37,298. For cigars, cigarettes, cheroots and tobacco. Registered March 14, 1912, by American Litho. Co., New York, N. Y. Transferred to Geo. Zifferblatt & Co., Philadelphia, Pa., and re-transferred to The Walgreen Co., Inc., Chicago, Ill., July 12, 1932.

UNION TREATY:—24,513 (Tobacco World). For cigars, cigarettes, cheroots and stogies. Registered June 13, 1912, by E. C. DePutron, York, Pa. Transferred to George A. Ellis, York, Pa., July 18, 1932.

THE SHERWOOD:—(U. S. Tobacco Journal). For cigars. Registered November 27, 1888, by Witsch & Schmitt, New York, N. Y. Transferred by Consolidated Litho. Corp., successors to original registrants, to Geo. Zifferblatt & Co., Philadelphia, Pa., July 19, 1932.

TWIN CUBS:—15,649 (Tobacco World). For cigars, cigarettes, cheroots, stogies and tobacco. Registered May 23, 1908, by J. G. & J. A. Fisher, Hanover, Pa. Transferred to Fisher & Koser Tobacco Co., Hanover, Pa., July 19, 1932.

PRIMO DEL REY:—20,969 (U. S. Tobacco Journal). For cigars, cigarettes and tobacco. Registered February 23, 1899, by F. Heppenheimers Sons, New York, N. Y. Through mesne transfers acquired by Clark, Chapin & Bushnell, New York, N. Y., and transferred by Austin, Nichols & Co., Inc., successors to Clark, Chapin & Bushnell, to Cuesta, Rey & Co., Tampa, Fla., March 25, 1926.

"HABANELLO" FORGING AHEAD

Rothenberg & Schloss, Denver distributors, have taken on the "Habanello" line of Geo. Zifferblatt & Co., for distribution. Amedee Levie, factory representative has been spending some time recently with the Rothenberg & Schloss Company, and "Habanello" prospects in Denver territory are exceedingly bright.

Gus Lauber, "Habanello" factory representative, has been doing some splendid work with Tinkham Bros., Rochester, N. Y. branch, and has made some splendid new placements for "Habanellos."

Bernard Myers has been working this week with the F. A. Davis Company, Baltimore, Md., and has met with excellent success in obtaining new accounts for "Habanello" in their territory, as well as obtaining splendid repeat orders.

CONGRESS CIGAR EARNINGS

The Congress Cigar Company, Incorporated, reports for the quarter ended June 30, net profit of $36,416, after charges and Federal taxes, equivalent to 11 cents a share on 336,800 no par shares of capital stock. This compares with $102,913, or thirty cents a share on 336,800 shares in the preceding quarter, and $128,539, or thirty-seven cents a share on 350,000 shares in the June quarter of the previous year.

For the six months ended June 30, net profit was $139,329 after charges and taxes, equal to forty-one cents a share on 336,800 shares, as compared with $351,450, or $1 a share on 350,000 shares in the first half of 1931.

N. A. T. D. SECRETARY EXPLAINS

(*Continued from Page 3*)

jobbers have come and gone. To the best of my knowledge and belief, those organizations were doomed to oblivion due to the fact that the members comprising them, for selfish reasons, made promises—that could not be fulfilled—in order to attain positions of trust for themselves which were meant to be abused. These associations went out of existence as soon as convenient to the same powers that brought them into being, after the heads had attained some measure of remuneration. Our association will make no rash promises but it is hoped that through organized effort our aims will be accomplished.

It is regretful that you were unable to attend either the meeting held in New York City or in Cleveland, due to the position your good house occupies in your particular neighborhood. I feel sure and I know that I voice the opinion of all our officers when I say that the association needs the guidance and wisdom of all those interested in the problems confronting the entire industry, particularly in the distributing unit.

Being the good business man that you are, you would invest $100.00 if you were assured that you would realize a profit of at least $10.00 in return for your investment. Even would this be possible, it could not be judiciously said at this time, because the assistance emanating through membership in the National Association of Tobacco Distributors, at present is very problematic. As for myself, I would be satisfied if the demoralizing conditions in this industry would stop a year from now, without receiving any remuneration, for that would mean that the time is nearer when the position of the distributor is more tenable.

If you didn't read my open letter to the trade in general, which was published in the leading trade papers on July 16th, I wish to call your attention to the paragraph where I stated that many of us are spending many times the insignificant amount of the annual dues of this association, without giving it any thought. Notwithstanding the fact that many associations (none national in scope) have been doomed to failure, I would certainly join this one and give it a chance, not with the expectation of reaping immediate benefits, but with the thought in mind that through wise counsel, judicial deliberations and perhaps change of statute through organized efforts, we may, at some future time, it may be very near or far, be rewarded for our hard work and efficiency by stabilization and peace of mind.

I am sure Mr. ———, that you would not stand by and see your neighbor take a desperate chance and perhaps risk his life in an undertaking that you might be benefited by and say—"if he is lucky enough to get by, I will then take that chance."

Of course you will understand that there is nothing personal in this communication. The comparisons contained therein are merely food for thought and I hope that your reply will be signing the membership card and returning it to me for attention, as per my previous letter.

With best wishes, I am,

By MAX JACOBOWITZ, Sec'y.

mj-mlj

AUGUST 15, 1932

VOLUME 52 No. 16

THE TOBACCO WORLD

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"Oh Yeah? BUT SCIENCE SAYS O. G. IS THE BEST CIGARETTE"

In 75 repeated tests made of four leading cigarette brands ... measuring the heat content of each cigarette by the Calorimeter method ... it was shown that OLD GOLD is from 112 to 156 B. T. U's. COOLER than the other brands. That's why O. Gs. are cooler and do not scratch the throat or taint the breath.

© P. Lorillard Co., Inc.

PURE TOBACCO · NO ARTIFICIAL FLAVORING

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machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS

Get all the facts now on automatic merchandizing.

Write for a sample copy

THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"

OP'TIMO CIGARS

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

Fashion Note
for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 **THE TOBACCO WORLD** Number 16

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
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$2.00 a Year PHILADELPHIA, AUGUST 15, 1932 Foreign $3.50

"LA CORONA" AGENCY PLANS ANNOUNCED

THE plan under which the "La Corona" and other brands of the Henry Clay and Bock & Company, formerly manufactured in Havana but recently transferred to Trenton, N. J., will be marketed was announced recently in a letter to selected retailers as follows:

"Gentlemen:

"Henry Clay and Bock & Company, Limited, have announced their decision to transfer the manufacture of their international brands from Havana to the United States. The most important of these brands are 'La Corona,' 'Bock & Co.,' 'La Carolina,' 'Cabanas,' 'Henry Clay,' 'Villar y Villar,' 'Manuel Garcia Alonso.'

"Only the rolling and packing will be transferred to the new Customs Bonded Factory in the United States from which will be supplied the requirements of both the domestic and foreign markets. Under these conditions the manufacturers guarantee the continued use of the identical Havana tobacco heretofore employed and absolute maintenance of the quality standards which have made these brands famous the world over.

"This company will act as wholesale distributors for these famous international brands throughout this territory. In order that their sale and active promotion may represent an important franchise to the retail dealer having the necessary high grade location, we have decided to market these cigars exclusively through retail sales agencies, which will be established at convenient locations throughout the territory. Such agents will sell the cigars for our account at fixed retail prices, and under definite conditions of an agency appointment. The cigars will not be distributed through any other channels.

"It is expected that these new goods will be available not later than September 1 next. Between now and August 15 we desire to establish the necessary retail appointment to make them available for the public and invite tentative applications for such agencies among the retail trade. We reserve the right to accept or reject any such application. On receipt of your application, full details of the agency appointment will be submitted for your consideration, but without obligation on your part to accept the agency if the terms of the appointment do not have your approval.

"That you may fully grasp the importance of this step, we give you the following retail prices which will apply to a few of the staple sizes and will represent substantial reductions in the prices of the 'La Corona' brand: Belvederes fifteen cents, Perfectos, three for fifty cents, Coronas. Chicas, twenty cents, Obsequios, twenty-five cents, Corona Coronas, three for $1.

"The proposed sales agency represents our effort, through these important international brands, to revive the high grade cigar business on a profitable footing for the retail dealer. We ask your earnest co-operation for the success of this endeavor.

"The return of this letter with your signature and address at the foot thereof will be recognized as an application for appointment as an agent for these international brands.

"Very truly yours,"

Retailers receiving the above letter have been quick to see the advantages of such an arrangement and a tremendous volume of applications have been received for agency appointments.

BAYUK COMPANY RUSHES APPEAL IN NAME INFRINGEMENT FIGHT

AN appeal from the recent decision of the United States District Court at Trenton will be taken immediately by Bayuk Cigars, Incorporated, as the next step in its fight against what the company terms unfair competition and infringement of the name used for its popular brand.

The ruling, handed down by Judge John B. Avis was the result of a suit instituted by the Bayuk Company late in 1930 against Samuel Schwartz of West New York, N. J., and was based on the fact that the Philadelphia company has been manufacturing cigars under its brand name for more than twenty years.

Commenting on the decision and pending appeal, Mr. Harry S. Rothschild, president of the Bayuk Company pointed out that the company's fight will be carried to the limit to protect jobbers and retailers who for more than thirty years have stood loyally by the concern.

Mr. Rothschild said:

"The primary cause for the suit instituted by Bayuk Cigars, Incorporated, was to protect not only the jobbers and retailers, but consumers who have learned to expect a certain high standard of quality. Bayuk products have been known for many years to the smoker and it has been the company's consistent purpose not in any way to interfere with the products of other manufacturers so long as the cigars produced did not promote unfair competition.

"We feel that the decision at Trenton is not final but subject to review and it will not discourage the Bayuk Company in this sole purpose. Therefore the appeal against the decision will be carried forward with the least possible delay."

MRS. NILES HEADS NILES & MOSER

Mrs. Frank C. Niles, widow of the late Frank C. Niles, head of the Niles & Moser Cigar Company, Kansas City, has been elected president of the firm by the board of directors. Ray W. Niles continues as vice-president and general manager. Mrs. Niles will be known in the firm as "E. D. Niles."

"CHESTERFIELD" DISPLAY PUZZLES NEAR-SIGHTED

CROWDS hurrying past one of the world's busiest corners were much amused one recent July day. A near-sighted passerby stood peering into the window of the A. Schulte store at Fifth Avenue and Forty-second Street, New York, scratching his head in a perplexed way. He was examining the latest "Chesterfield" display and it seemed that he didn't fully trust his eyes. Was this a moving picture or a window display?

What he saw did move, indeed. That is, part of it. "Chesterfield" is presenting, in a strikingly modern setting, a panorama of summer-time activities. Gay young people are on vacation. Through a keystone shaped opening the scenes shift—swimming, tennis, hiking, even romance in the moonlight. And there's something cool and refreshing in the colors—white and pale lavender—as well as in the sharp simplicity of the exhibit as a whole.

Across the bottom of the display in clear upraised letters runs the line "Chesterfields are clicking with millions—They Satisfy." The thought seems to "belong" more than the ordinary sales message. Possibly because the popularity of vacation time has something in common with the popularity of a great cigarette. Anyhow, this latest "Chesterfield" window is getting plenty of attention, even during these hot days.

CREDIT MEN URGE TRADE ACCEPTANCES

Revival of trade acceptances as a stimulant to business was urged in a resolution adopted at the organization meeting of the Philadelphia Association of Credit Men's Committee on Trade Acceptances.

"An increase in volume of trade acceptances rediscounted with Federal Reserve Banks," the resolution declares, "will further strengthen the Reserve Banks in their ability to supply requirements for gold through the use of eligible commercial paper as reserve.

"We urge the prompt adoption of Trade Acceptances because of the current necessity for credit to finance and accelerate the improvement in business, and that to fully bring this about, Trade Acceptances received in payment for products sold should be discounted at banks or sold to banks through note brokers, and that banks discounting Trade Acceptances rediscount them with the Federal Reserve Bank."

George Benner, of Bayuk Cigars, Incorporated, is a member of the above committee.

McGUERTY TO REPRESENT PREFERRED HAVANA

Last week it was announced by Jose M. Diaz, president of the Preferred Havana Tobacco Company, Tampa, that arrangements had been made with John L. McGuerty, well known as representative of the "Romeo y Julieta" factory, of Havana, whereby Mr. McGuerty will represent the Preferred Havana Tobacco Company in the future in New York and the New England territories.

Mr. McGuerty will continue as agent for the "Romeo y Julieta" factory in the United States and Canada.

The Preferred Havana Tobacco Company is manufacturer of the "Eden" brand, formerly manufactured in Havana, but which was recently transferred to the Tampa factory.

PHILADELPHIA'S ENGINEERING EMPLOYMENT EXCHANGE WITHOUT FEE

IN February, 1932, The Engineers' Club of Philadelphia, and local sections of twelve affiliated engineering societies, sponsored "The Philadelphia Technical Service Committee" which is today functioning to secure for the employer technically trained personnel.

It is now an established placement and consultation service coordinated with similar organizations in other cities, and can furnish on demand competent technical help. It is associated with the State Employment Commission of Pennsylvania.

All applicants are requested to fill out a classification form which records the registrants, personal, educational, and professional qualifications. Including a portrait it familiarizes the prospective employer with the men available to fill his request.

When a request for personnel is received, consulting the file of applicants the employment manager eliminates those who do not meet with the request specifications and offers to the employing executive a choice from which to secure "The Right Men for the Right Job."

Only men who are definitely known to be seeking employment are referred to the employer, and all applications are kept up to date monthly to insure a fast and efficient service.

Let this service committee prove by performance this satisfactory way of obtaining personnel. Address 1317 Spruce Street or phone Pennypacker 5234.

A. B. NEWMAN DEAD

Abraham B. Newman, of 141 East Third Street, New York City, who founded the firm bearing his name at 288 East Houston Street, passed away at Saratoga Springs, N. Y., suddenly on July 17th, following a heart attack. He was seventy-six years old.

Mr. Newman founded his firm in March, 1888, and remained in active business for nearly forty years. During the last few years the business has been under the management of his son, Jack Newman.

The firm specializes in the importation of foreign tobaccos and smokers' articles of all kinds, and Mr. Newman's policy in building up the business was to supply the needs of the trade for merchandise which could not be obtained through ordinary channels, and the firm will continue to adhere to this policy.

Funeral services were held at the Riverside Memorial Chapel, in New York, with interment at Union Field, Cypress Hills, Brooklyn.

He is survived by his widow, two sons and three daughters.

ADDITION FOR C. N. FOREMAN COMPANY

C. N. Foreman Cigar Company, Red Lion, Pa., is planning an immediate addition to its factory, which will measure 40 by 60 feet, in order to cope with the recent increase in demand for their brand, "White Swan", and which they have been unable to meet in their present quarters.

Horatio Batezell, well known to the trade in this district, has recently become associated with the C. N. Foreman Company as factory representative, and has gathered around him a capable force of salesmen who are turning in a fine volume of orders for "White Swan."

Mr. Batezell has recently returned from a trip to Pittsburgh and Harrisburg, where he was successful in creating new friends for the brand.

FRESH!

Never parched or toasted

Camels burn slow and cool because they're fresh. Made fresh and kept fresh in the Camel Humidor Pack, they bring you the full fragrance and aroma of choice Turkish and mild sun-ripened Domestic tobaccos in prime condition. Switch to Camels for just one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

CAMELS

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

***Made* FRESH—*Kept* FRESH**

PHILADELPHIA.

Trade Notes

There is a more optimistic tone to business recently, according to I. B. White, manager of John Wagner & Sons' cigar department. Dealers are increasing their orders and money is being dispensed more freely, which is certainly encouraging news.

Mr. John Wagner, of John Wagner & Sons, is spending some time at Bass Rock, Mass., where he is enjoying a brief rest and vacation. Mr. Joseph Wagner has been confined to his home on account of a severe cold, but is expected to be able to return to his desk in a few days.

"Briggs" pipe tobacco, a new high grade smoking mixture manufactured by the P. Lorillard Company, is showing some considerable activity, according to Yahn & McDonnell, local distributors of the brand. "Briggs" retails at fifteen cents for a 1¾-ounce tin.

John Wagner & Sons are now showing two new sizes which have just been added to their fine "Wagner" brand, and which are having an enthusiastic reception in the trade. One size, the "Dainties" is a five-cent seller, guaranteed all Havana long filler; and the other size is a "Deliciosos" to retail at ten cents.

Louis Grabosky has returned to headquarters, North Second Street, after a month's vacation spent at Atlantic City, with the usual coat of tan and full of energy, which augurs well for the fall campaign on "Royalist" cigars. Atlantic City has been one of the high spots in "Royalist" sales during the summer months.

"El Toro" cigars, the five-cent brand of the Porto Rican-American Tobacco Company, distributed locally by Yahn & McDonnell, are showing increased activity since the advent of the radio program on July 30th featuring Gus Van, the Pickens Sisters and Vic Arden's orchestra.

The radio program is broadcast over N. B. C. stations every Saturday, 9 to 9:30 P. M.

GEORGE M. LEX ISSUES TIMELY WARNING FOR CIGAR MANUFACTURERS ABROAD

GEORGE M. LEX, secretary of George Zifferblatt & Company, has called our attention to an attempted fraud which a well-organized gang is perpetrating on unsuspecting secretaries of persons traveling abroad, especially in Europe, and it is hoped the following disclosure will forestall further efforts in the cigar and tobacco industry.

The operators of the "racket" seem to follow closely the list of well known persons sailing for Europe and then by careful inquiries by telephone and otherwise obtain the name of the secretary of the person abroad who has been left in charge of his personal affairs at home.

After getting the desired information a cable telegram is delivered to the secretary stating that a shipment will arrive from Lejune (or some other point) before the person who is abroad returns home, and authorizing the secretary to follow the instructions of a person who will get in touch with him later and to make a payment of sums ranging from $700 to $1400.

Mr. Lex received such a cable a few days ago and signed by Mr. Zifferblatt, but with his usual keen observation of details Mr. Lex discovered several irregularities in the message and refused to fall for the scheme.

Persons in the cigar and tobacco industry receiving such telegrams should carefully check the message up with the telegraph companies before paying out any sum of money, and by getting in touch with their police department may be able to break up the practice.

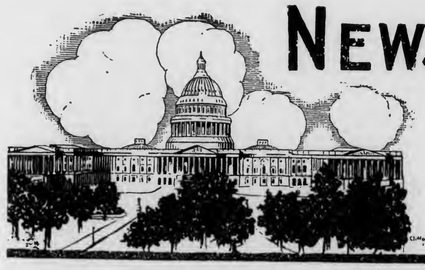
The "Garcia y Vega" brand and the "Monticello" brand, featured by John Wagner & Sons, are enjoying a splendid call in spite of depressing business conditions. Ben Lumley, well-known factory representative, is the man who keeps the orders rolling in.

Anthony Gutierrez, manufacturer of the "Carlton" cigar distributed by M. J. Dalton Company, was in town last week calling on his distributor. The "Carlton" has a good call here in the high class stands

---

O. C. Schneider, of the "Bering" factory, was in town last Monday and visited the "Bering" distributors for this territory, Yahn & McDonnell Cigars, 617 Chestnut Street.

OK-Miss America!
We thank you for your patronage
"It's toasted"
Your Protection—against irritation—against cough
TUNE IN ON LUCKY STRIKE — 60 modern minutes with the world's finest dance orchestras, and famous Lucky Strike features, every Tuesday, Thursday and Saturday evening over N. B. C. networks.
LUCKY STRIKE
CIGARETTE
Copr., 1932, The American Tobacco Co.



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

A HEAVY program of business legislation which, because of the stress of depression, could not be considered during the session just ended, will confront Congress when it reconvenes in December.

Absorbed in the enactment of legislation increasing taxation, providing economies in Government expenditures and aiming at the rehabilitation of prosperity, Congress during the seven and one-half months of the session found it impossible to give to other subjects sufficient consideration to insure their disposal. As a result, in addition to the routine work, such as passing on the appropriations for Federal activities, the next session will seek to dispose of matters which so far have been neglected.

Among the subjects which will be brought up next winter are bankruptcy reform, advocated by President Hoover, the Attorney General and the business world generally, on which a lengthy report was submitted to Congress some months ago by the Department of Justice; price maintenance, in connection with which Representative Clyde Kelly of Pennsylvania has announced he will demand action on his bill; and anti-trust legislation, with a view to relaxing existing statutes in such a way as to hasten economic recovery.

The closing of the mails to the sending of unsolicited merchandise, approved by the Senate but not acted upon in the House, and revision of practices and authority of the Federal Trade Commission are also expected to come up for consideration. Due to the fact that the next session will expire automatically on March 4, 1933, it is unlikely that the entire program can be considered but it is anticipated that the more important of these measures will be selected for enactment.

A number of important investigations will be carried on during the Congressional vacation and before the assembling of the regular session next December.

A joint committee of the Senate and House will investigate the Veterans' Bureau administration with a view to determining whether any economies can be effected.

The Senate special economy committee will continue its investigations to determine whether or not new economies may be effected in Government operation and what, if any, modifications should be made in the economy act passed last session.

The special House Committee appointed for the purpose will continue its study of Government competition with private industry.

A subcommittee of the House Ways and Means Committee plans to inquire into the question of double taxation and has announced its intention of recommending remedial legislation next winter.

The House Post Office Committee will investigate the activities and practices of the Post Office Department with a view to effecting economies in operation.

The House Committee on Interstate and Foreign Commerce will continue its investigation of public utility holding companies.

The Senate Committee on Banking and Currency will probably resume in the fall its investigation into the stock market operations of officials of corporations, and has called upon the Treasury Department to furnish data from the income tax reports of such officers of companies as have already been investigated with a view to determining whether there have been evasions of tax obligations.

Imposition of fees for the privilege of sending postal matter through the mails without affixing stamps is provided for in legislation just enacted by Congress, in which also charges are made for entry of publications as second-class matter and other services. The bill is estimated to produce about $500,000 in additional revenues annually, according to figures of the Post Office Department.

A fee of $10 would be imposed for permission to deposit mail without stamps affixed and charges of $100 would be made for entry of a publication as second class mail, $10 for re-entry, where such is made necessary, and $20 for registry as a news agent, under the provisions of the measure.

The fees provided are "fair and moderate," it was declared by the Senate Post Office Committee in reporting the bill, and the revenue "will help to relieve the loss occasioned by the schedule of second-class rates.

"When a mailer applies for permission to mail matter without stamps affixed, it is provided that a fee shall be charged," it was explained. "It is believed that the mailer will appreciate the advantages of the permit and will have no objection to the payment of the fees."

About 15,000 applications for permits to mail matter without stamps affixed are received annually, according to Post Office Department records; about 3000 such permits are abandoned each year. There are also received approximately 2500 applications for entry of publications as second-class matter, 2000 applications for re-entry on account of changes in title, frequency of issue, office of publication or for other reasons, and 100 applications for registry as news agents. About 3900 second-class publications are discontinued each year.

Everybody enjoys a milder cigarette
... a cigarette that tastes better!

IN over 80 countries Chesterfield cigarettes are bought and sold . . . smoked and enjoyed. Why is it?

BECAUSE THEY ARE MILDER.
BECAUSE THEY TASTE BETTER.

Their mildness begins with milder, riper tobaccos —the right kinds of Domestic with enough Turkish, blended and *cross-blended* to an even finer taste.

And wherever you go, up and down and across the world, Chesterfield goes too.

Wherever you buy Chesterfields, you get them just as fresh as if you came by our factory door

Hear the Chesterfield Radio Program. Every night except Sunday. Columbia network. See local newspaper for time.

© 1932, LIGGETT & MYERS TOBACCO CO.

PICK THE RIGHT CLERK SAYS PHULOFAX

"PICK the clerk and keep the customers," says Phil M. Phulofax, D. B. I., the famous counselor to cigar retailers, associated with Bayuk Cigars, Incorporated, who writes regularly for this magazine, and who is at present making a trip through the country to investigate retailing conditions and to ferret out helpful ideas on selling and management. This message, which is pertinent to cigar clerks and to their employers both, is printed just as it came to us over the wire service.

"Nicetown, U. S. A.—Howdy, folks! Wish I had time to tell you what a splendid place this is—great to live in, great to do business in, great to work in—but I must report my interesting talk with Johnny Keen, the most successful retailer in town.

"Johnny started in business several years ago—I remember it on my first visit to Nicetown—in a little hole in the wall where he did everything himself, from keeping accounts to sweeping the pavement and congratulating his customers on recent arrivals. Although he never said so, Johnny must have been a top-notch retailer, for soon he didn't have room enough in his store to take care of his customers and of the large stock he had to keep moving. Now he has a fine location on Main Street and a clerk to help him serve his ever returning customers.

" 'You face a real problem when you take on a helper, Johnny told me. When you've built up a good business by hours of hard work and thought, you naturally want it to continue along the same lines, even when it has become so big that you can't take care of it all yourself. Some fellows who have plugged along and built up a good patronage forget, when they hire a clerk, that he is to be their personal representative—take the first youngster that comes along at the lowest figure.

" 'No, siree, none of these fresh young dudes for me. I wanted a clerk who would be interested in my business, and who was on the job thinking about cigars and how to sell them, instead of dreaming of six o'clock and how soon he could meet the girl friend on the next corner. After I had picked a likely looking young man, who seemed to have ambition and to be willing to work, I realized that it was up to me to persuade him that my business was his business; that if he didn't succeed I didn't prosper and neither did he; that his mistakes cost me, and him, real money and that his constructive ideas and thorough selling would bring rewards to our common cash box. He turned out to be the right kind of a fellow. Now he feels that my customers are his customers and he is as much interested in them as I am. He knows his line of smokes as well as he knows the Bambino's batting average, and he aims to see his name over the door some day.'

"Aren't you cultivating a competitor," I asked him.

" 'No, raising a partner,' countered Keen.

"Glancing out into the shop where young B. Alert was serving two potential buyers, I realized that Johnny Keen had made an excellent choice. In fact, by the time I get around to Nicetown again I wouldn't be at all surprised to find the firm going on to even bigger and better things under the name of Keen and Alert, with a fresh sign over the entrance.

"I must be off. What are your own problems and what have been your ways of solving them? Of course I realize that I can't visit every single town in these United States, but I know that there are some first-class ideas being used in all of them—why not send them in to me, those of you on whom I can't make a call this time, and we'll pool them for the good of us all."

GENERAL CIGAR EARNINGS

THE General Cigar Company, Inc., reports for the six months ended June 30th, net income of $783,933, after interest, depreciation, Federal taxes, etc., equivalent, after dividend requirements on the 7 per cent. preferred stock, to $1.28 a share on 472,982 no-par shares of common stock. This compares with $913,877, or $1.56 a share on the common in the first half of 1931.

For the quarter ended the same date, net income was $481,797, after charges and taxes, equivalent to 83 cents a share on the common, comparing with $302,136, or 45 cents a share on the common in the preceding quarter, and $468,651, or 80 cents a common share in the June quarter of the previous year.

SMOKES BY THE YARD

Cigars are sold by measurement on the Island of Jamaica in the blue waters of the Caribbean. Here, where life is slow and easy, corner cigar stores are unknown. The natives are too easy-going to walk for their smokes; they prefer to have the tobacco come to them.

To satisfy this demand the Jamaica tobacco vendors make the rounds of the streets and countryside in search of customers. Their tobacco is all of one kind; rolled into a long rope, which they carry on their arms or slung over their shoulders in a coil. When they meet a tobacco-craving native, they cut off a piece, in tailor-made lengths. A joker has hinted that this perhaps explains the origin of the term "rope" meaning cigar.

American tourists find the wandering cigar stores amusing and picturesque but they don't smoke their wares. They have learned to demand home tobacco products that guarantee the maximum of sanitary protection. So far has the trend toward sanitation developed in America that one five-cent cigar is the only cigar in the world finished under glass for sanitary protection.

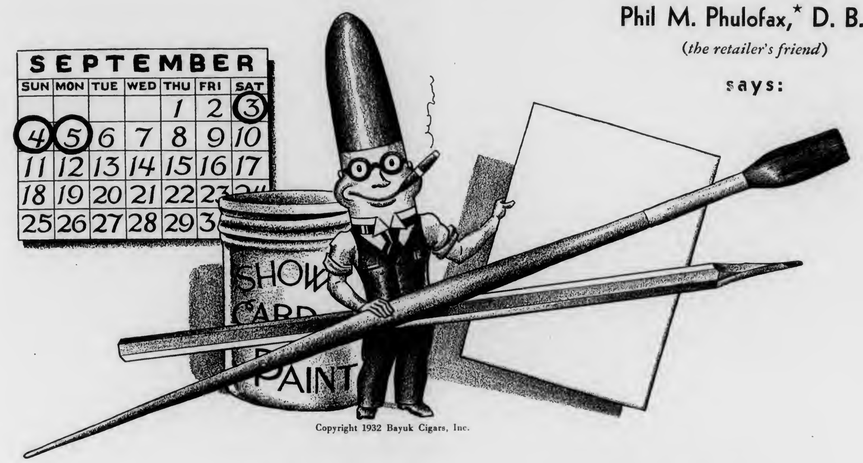
No statistics are available as to just how many yards of tobacco are considered a good day's business in Jamaica, but compared to the number of cigars a single modern American factory turns out in a day, the amount is probably negligible. The natives, however, seem to like the local "off-the-piece" brand.

CHANGES IN PUERTO RICAN PERSONNEL

The Government of Puerto Rico, Bureau of Commerce and Industry, has announced that effective July 1st, Marco T. Saldana, who was in charge of the Puerto Rican Government Tobacco Guarantee Agency until that agency was abolished, has been appointed assistant chief in charge of the New York office of the Bureau of Commerce and Industry, at 1457 Broadway, New York City. Mr. Hector Lazo, is now commercial delegate in charge of the Washington office, at Washington, D. C., and Rafael Rios, chief of the bureau, retains his office at San Juan, Puerto Rico.

Report of Puerto Rican Internal Revenue cigarette stamp sales at the New York office during the fiscal year 1931-1932 shows nearly 10 per cent. increase over the figures for the previous year. 1931-1932 sales totaled $1,394,362.46.

Phil M. Phulofax,* D. B. I.
(*the retailer's friend*)
says:



Copyright 1932 Bayuk Cigars, Inc.

"GRAB THESE . . .

and grab yourself a slice of holiday business"

"If a man build a better mousetrap . . . the world will make a beaten path to his door." If that old philosophy isn't exactly the bunk, I claim it's far too snail-like in its moral for these days of scratch-and-scramble for business. No matter how good a product you make or sell, life's too short to wait for people to find out about it themselves. I say cry your wares from the house-tops! And the bigger the occasion the louder you should shout.

If you recall my message about "Decoration Day" and "Fourth of July" you know my ideas about going after holiday business. "Labor Day" comes next. Upanattem, men! Grab your lettering brush, ink and a hunk of paper, and up with some soul-stirring, change-loosening window stickers! Out with some post cards or circulars! Get busy with some telephone calls! Keep everlastingly reminding smokers that no holiday is complete without plenty of cigars. It's box, five-pack and fistful sales you're after. And, hang it all, you can get 'em with some limbered-up tongue-wagging and snappy sign-language.

All week before Labor Day every customer coming in for "a coupla smokes" ought to be made to bump smack into a stacked-up display of ready-wrapped box, five-pack or bundle offerings. Every passerby ought to see in your window a sign suggesting that he stock up with enough cigars for his going-away Saturday, Sunday and Monday. And, as I mentioned before, a lot more business can be drummed up by mail and telephone.

I'LL PAY $10 IN COLD CASH

for the best cigar-selling poster or window sticker executed and used for this year's Labor Day business by any cigar retailer or cigar-store clerk in the United States. After Labor Day you'll naturally be taking such posters down. Wrap up the best one you've used (don't bother making another one) and mail it to me—before September 20th—putting your name and address on the back. The sender of the best poster or sticker I receive gets $10. I'll be the judge. Originality and sales-making snap in the wording will have the most weight; appearance next. If two or more tie for the prize, I'll pay the ten smackers of each. Winner or winners will be announced in a future 1932 issue of this publication. Mail poster or sticker to "Phil M. Phulofax, care of Bayuk Cigars Inc., 9th Street and Columbia Avenue, Philadelphia, Pa."

Don't be backward. You won't be shot for asking people to buy your merchandise. In fact, you'll be respected for being a live-wire go-getter. And you'll have a lot more jack in the till as a result—which is what counts most.

Phil M. Phulofax*

*Associated with BAYUK CIGARS, Inc.
Philadelphia
Makers of fine cigars since 1897

P. S.—With my next message we resume publishing cigar retailers' sales-making ideas. I need your help. Come across!

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR (BAYUK "PHILLIES") CHARLES THOMSON
BAYUK MAPACUBA PRINCE HAMLET BAYUK HAVANA RIBBON

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

(Continued from previous Issue)

EDUCATION OF A RETAIL SALES FORCE

Introduction

IF THE retail merchant were to ask shoppers leaving his store what phase of store service is in most urgent need of improvement, the reply would almost invariably be the same and, in all probability, would not be the answer given in the days when he personally served each customer. The salesman who was also proprietor and buyer had every opportunity to learn the business of selling. As a retailer he studied the characteristics of his community before ordering stock; he carefully considered the relative selling points of the various kinds of merchandise, and, armed with this special knowledge, was able to meet each customer with cheerful confidence that in the store there was something to satisfy that customer's particular need or desire. With great pride he watched the steadily enlarged stream of patronage pouring into the store to buy his merchandise in preference to any other. Every return visit of an old customer was a tribute to his policy of honest dealing and courteous service.

The public is quick to note a lack of expert service in a store which has grown beyond the point where the proprietor can come in personal contact with each shopper. No one else can be found who has the proprietor's vital interest in every detail which makes a sale and a satisfied customer. The secret of the merchant's ability to please customers lies in this intensive study of people and of the merchandise which might suit them, plus his personal interest in the increase of trade.

A retail-store proprietor can not expect employees to duplicate his efficiency in selling. It is desirable, however, that they reflect his ideas and methods to the extent that careful training makes possible. When the results of this training become apparent to the employees themselves, they may develop, to some degree, the proprietor's greatest selling asset—pride in the store.

Realizing the great need of improved salesmanship, many retailers are now giving serious attention to educating their clerks. Haphazard methods are no longer looked upon with indifference, and training programs are being developed to give better service to customers, increased profits to retailers, and improved employee relations.

Training departments have been installed in many of the larger retail stores under the direction of competent advisers, and the principles of selling—how to display and talk merchandise, how to deal with different types of customers, how to increase sales by suggestion, and other fundamentals—are being impressed upon the selling staff. Sooner or later it will be recognized that even a store which is not large enough to afford a trained specialist as its educational director is not small enough to ignore the question of employee training. Without experience or training no one is an efficient salesman, though some are more adapted to selling than others and will in time profit by experience gained at the expense of the employer. Left to learn by experience, however, a certain percentage of the naturally efficient will grow careless and wasteful.

Whether the merchant plans it or not, his sales people are receiving training, either good or bad, at his expense. As a matter of economy the training given should be directed to the store's advantage. Certain definite factors must govern salesmanship education in order to produce the most satisfactory results in the shortest time. This study suggests important principles and outlines some courses now being successfully used in retail stores. Just what methods and procedure apply to his own business is left for the individual merchant to determine. It is also the object of this report to show that well-directed training of the retail sales force is possible and practical in small as well as in large stores and that it will react to the advantage of every retailer.

Advantages of Educating Sales Force

Advantage to Retailer

The retailer's need of an efficient sales force is the basic reason for educating his employees to sell. In order to continue in business at all under conditions of present-day competition, a retailer must give constant attention to details which tend to increase sales and reduce costs. An establishment well filled with merchandise is of no profit to a retailer until the merchandise is sold; and securing an architect to plan a building more attractive than his neighbor's, an expert to buy stock, and displayers to arrange merchandise skillfully—all of this preparation for the purpose of making sales is of little advantage to the retailer if he permits the final act of selling to be performed by more or less indifferent clerks.

The retail sales employees act as the owner's substitute. The owner's business is their business. The retailer can scarcely expect his employees to take an interest in promoting sales unless they have had effective training in the principles of good salesmanship, know the important facts in connection with the merchandise handled, and have a profound respect for the policy of the store.

From the number of affirmative statements received by the Domestic Commerce Division, it is safe to assert that retailers who have given definite attention to the education of their sales force recognize well-directed training as an important factor in promoting sales and reducing costs. Some were frank to admit doubt as to their having made use of the best method of training, though all expressed opinions to the effect that any conscientious attempt to educate their sales people is likely to be more economical than no attempt at all.

(Continued on Page 14)

GUARD YOUR CIGARS WITH GOOD WOODEN BOXES

Foundations exist to protect human life, animals and even insects. The wooden cigar box exists because generations of experienced cigar manufacturers have found wood to be the material most favorable to the development of the true richness of the tobaccos used in their products. Wooden boxes are Nature's own contribution to the guardianship of the "goodness" in cigars.

Beneath the surface of present conditions there is every indication of a substantial foundation which presages the early revival of business activity. The cigar industry will share in this upward trend toward economic recovery.

The season approaches when preparations are made for the packaging of cigars for the holiday trade. The limited incomes of the vast majority of cigar smokers call attention to the necessity for offering cigars by the box in quantities which will appeal to the greatest number.

AUTOKRAFT BOX CORPORATION is prepared to render prompt and efficient service in supplying standard and novelty boxes in sizes to meet the requirements of those manufacturers who are planning to reach the largest percentage of the cigar buying public—those who wish to buy cigars for gifts or personal use packed in wooden boxes. Quotations will be gladly made on standard and novelty packages, as well as boite nature boxes in either Redwood or Spanish Cedar.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

N. A. T. D. TO MEET AUGUST 27

A MEETING of the executive committee of the recently formed National Association of Tobacco Distributors, was held at the Hotel New Yorker, New York City, on July 31st, with the following members present: C. A. Just, president; G. B. Scrambling, treasurer; J. Kolodny, A. Schwartz, J. R. Edwards, George Frings, and Max Jacobowitz, secretary.

The discussion assumed differences of opinions regarding the intended policies to be immediately pursued by the association, and the chairman, rather than act thereon, deemed it advisable to bring the several matters before the entire board of directors, and, for that reason, a resolution was adopted and the secretary was authorized to call a meeting to be held August 27th at the Hotel New Yorker, at 2:30 P. M.

LORILLARD VICE-PRESIDENT ON VACATION

George Hummel, vice-president in charge of the cigar manufacturing department of the P. Lorillard Company, has left for an extended vacation in Europe, accompanied by Mrs. Hummel.

They expect to visit points of interest in England and on the continent before returning to the United States.

TAMPA PRODUCTION OFF IN JULY

Cigar production in Tampa factories for July, 1932, totaled 26,382,165 as compared with 32,954,678 in the same month of 1931, and 30,745,412 in June, 1932.

Production by classes were as follows: Class A—14,505,181; Class B—382,139; Class C—8,783,345; Class D—2,682,854, and Class E—28,646.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va.	President
CHARLES J. EISENLOHR, Philadelphia, Pa.	Ex-President
JULIUS LICHTENSTEIN, New York, N. Y.	Vice-President
WILLIAM BEST, New York, N. Y.	Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y.	Vice-President
GEORGE H. HUMMELL, New York, N. Y.	Vice-President
H. H. SHELTON, Washington, D. C.	Vice-President
WILLIAM T. REED, Richmond, Va.	Vice-President
HARVEY L. HIRST, Philadelphia, Pa.	Vice-President
ASA LEMLEIN, New York, N. Y.	Treasurer
CHARLES DUSHKIND, New York, N. Y.	Counsel and Managing Director

Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio	President
CHAS. B. WITTROCK, Cincinnati, Ohio	Vice-President
GEO. S. ENGEL, Covington, Ky.	Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio	Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City	President
MILTON RANCK, Lancaster, Pa.	First Vice-President
D. EMIL KLEIN, New York City	Second Vice-President
LEE SAMUELS, New York City	Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J.	President
ALBERT FREEMAN, New York, N. Y.	First Vice-President
IRVEN M. MOSS, Trenton, N. J.	Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J.	Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN	President
SAMUEL WASSERMAN	Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo.	President
E. ASBURY DAVIS, Baltimore, Md.	Vice-President
E. W. HARRIS, Indianapolis, Ind.	Vice-President
JONATHAN VIPOND, Scranton, Pa.	Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio	Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J.	Secretary

RETAIL STORE PROBLEMS

(*Continued from page 12*)

In enumerating reasons why customers fail to return to the store, the three commonly attributable to the sales force are (1) lack of courtesy received during sales transactions, (2) misunderstandings arising from careless and inefficient selling, and (3) misrepresentation of merchandise. Increased good will of customers is one of the first evidences of successful training of personnel.

A department-store manager related the following incident, which is an interesting example of how a sales force may be influenced. His personnel director called attention to the fact that, notwithstanding the store's rules of exacting a penalty for errors made on charge checks, the record of a group of 100 clerks for the previous month showed thirty-three errors made. The value of accuracy in store service was discussed at the next class meeting, and a prize of $1 was offered to each sales clerk whose record for the month showed no errors in making out sales checks. The clerks appeared to be genuinely shocked at the possibilities of loss to the store as a result of their carelessness in this respect, and the next month's report showed only nine errors. During the months that followed considerable enthusiasm was aroused over the honor list, and one evening some time later the entire force dropped in at the trainer's home and announced a "surprise party" to celebrate the fact that no errors were reported for the preceding month.

Tally cards to check up sales made through suggestion are being used in some stores, and several reported a decided increase in the volume of sales directly attributable to teaching the sales force tactful methods of making sales to those who are "just looking." A few minutes' talk on how to suggest sales without being overpersuasive may be the means of securing at least one extra sale a day from each employee.

In a recent case of bankruptcy a small dry goods store with a force of sixty clerks passed into the hands of an experienced retailer who decided to be personnel director in his own store. As a preliminary step to the education of the sales staff, a month's record was kept of losses which could be directly traced to ignorance or carelessness on the part of employees. He was unable to quote the exact figures, but stated that the loss from overmeasurement alone was astonishing. This same retailer said that during one day he heard "I am sorry we do not have any" given three times in apologetic reply to requests for articles which were later found to have been mislaid.

Proper education in retailing leads to the right, short, and easy way to sell merchandise and saves time both for the customer and for the store. A knowledge of losses caused by damage to stock as the result of poor care and improper handling may stimulate the sales force to greater effort in the care of merchandise. An interested and capable sales force will also appreciate the value of artificial helps which are used to attract the customer and increase sales. For example, special window displays and departmental sales may profitably be explained to all of the selling force. Calling the attention of the sales force to advertising and community activities may also be an aid in developing a proper spirit of co-operation. Tactful instruction in business ethics leads the employee to a professional attitude toward his work and simplifies problems relating to discipline and honesty of service.

Vocational training in retail salesmanship is said to have been originally adopted in an effort to reduce labor turnover. In some large department stores labor turnover has been found to amount to 100 per cent. a year. In connection with the necessity in the past for frequent hiring it may be stated that, according to an estimate by experienced retailers, the cost of breaking in each new employee varies from $50 to $200. Dissatisfaction among employees has been noticeably lessened in stores which have adopted the uniform policies which are generally a part of the organized educational program.

In many cases the store which has a well-conducted training department will find its sales organization a satisfactory source of future executives. Under the old policy the typical sales clerk began his employment with an untrained mind and was allowed to drift along in an environment not conducive to mental alertness. Instead of growing to be a person of executive ability, he merely acquired in the performance of routine duties just enough skill and good judgment to keep him on the job until he was too old to work. Under the new plan of store education individuals are encouraged in developing qualifications required for administrative work. This is to the mutual advantage of the store and employee, since it is usually true that in a retail store an expert with years of experience is more valuable than an expert who must adapt himself to the needs of the establishment in which he has had no experience.

Retail stores which have persisted in systematically educating the individual with regard to his own job and the progress and policy of the organization awaken interest in the work and change mechanical motions indifferently performed into pleasant duties enthusiastically undertaken. People like to shop where enthusiasm is apparent in the form of courteous helpfulness, which is the natural outgrowth of loyalty to the store.

Effect on Customer and Community

The results obtained by stores now conducting systematic training courses for their employees have proved that it is worth while from the viewpoint of the retailer. The store must logically take the initiative in training its employees to become expert salesmen, therefore this report is concerned chiefly with facts showing that every retailer needs a force trained in a way consistent with the highest standards for his particular kind of store.

The value of an efficient sales force, however, is not limited to the benefits which the store derives from it. The public will also profit by any systematic training of the sales force. Everyone in a civilized community uses merchandise sold in stores, and there are few who do not come in direct contact with sales clerks. Certainly it would be to the advantage of the retailer and the customer if all necessary information with regard to an article of merchandise could be obtained from the clerk who sells the article. A reliable source of constructive information is valuable wherever found, and a sales force which understands what constitutes real quality in merchandise and which is instructed to tell the public what it is purchasing could well be considered a community asset. The retailer with such an intelligent personnel would be careful to carry stock which in reality represented "the best at the price," the purchaser would become a satisfied customer, and many satisfied customers would grow into a pleased community. On the other hand, when a person is told "Oh, yes; this is pure linen," and that statement is based upon a wrong guess, the store may have as a result an "adjustment," no sale, or a lost customer, and,

(*Continued on Page 17*)

EMPLOYEES' SUGGESTION SYSTEMS

MANY business organizations have found that the executive and supervisory staff is not the only source of ideas of value to the company. The close contacts of the workers with particular operations of the business frequently enables them to supply ideas and suggestions of direct benefit to the company. To capitalize upon this practical experience and specialized knowledge, the employee suggestion system has been adopted with considerable success by a number of organizations. Through some form of organized suggestion plan, workers are encouraged to look for possible improvements in the operation of the business to present their ideas so that, if practicable, they may be adopted by the management.

Employees' Suggestion Systems, a new report published by the Policyholders Service Bureau of the Metropolitan Life Insurance Company, discusses the methods used by representative industrial companies to obtain worthwhile suggestions from their personnel. The report is based on a study of the systems of more than 100 organizations, and describes the outstanding features of these plans.

Referring to the benefits of employees' suggestions, the study states that "they have been found to result in savings in operating costs, increased production, extension of business, improved operating methods, and better working conditions." The effect which the actual adoption of satisfactory suggestions has upon the general morale of workers, in tending to make the latter realize that they are holding a recognized place in the business, is considered of more than ordinary importance by a number of organizations. In addition, it is believed that formal suggestion plans, by encouraging employees to think, provide an excellent groundwork for training.

A limited number of copies of *Employees' Suggestion Systems* are available for general distribution. Chief executives, personnel officers, industrial relations executives and others interested in this phase of management may secure the report by writing to the Policyholders Service Bureau, Metropolitan Life Insurance Company, at One Madison Avenue, New York City.

WALGREEN SALES DECREASE

Walgreen Company reports for July sales of $3,803,101, a decrease of $1,058,773. Sales for the first seven months of 1932 totaled $27,283,282, a decrease of $4,800,254. On July 31st the company had 466 stores in operation, against 453 on July 31, 1931.

June sales also showed a decrease of $979,534 as compared with June, 1931.

AMERICAN COLOROTYPE SALES DOWN

Sales of the American Colorotype Company for the second quarter of 1932 totaled $1,166,194, as compared with $1,839,482 for the same divisions reporting in the second quarter of 1931.

Sales for the first six months of 1932 were $3,081,711 as compared with $4,306,426 for the same divisions reporting during the corresponding period of the previous year.

CONSOLIDATED CIGAR REDUCES CAPITAL

The Consolidated Cigar Corporation has notified the New York Stock Exchange that it would reduce its capital represented by outstanding common stock from $11,855,684 to $2,500,000.

"BUGLER" NEW FIVE-CENT TOBACCO

KEEPING up with the economic trend, the Brown & Williamson Tobacco Corporation, Louisville, Ky., has placed on the market a new five-cent package of cigarette tobacco under the trade name of "Bugler."

At present the new package has only been supplied four sections of the country, but the company is expanding production on the brand as fast as possible with the intent of expanding distribution also.

The Brown & Williamson Corporation is operating on a twenty-three-hour schedule with approximately 3300 persons on the payroll.

A large order for new machinery was recently placed with a Louisville firm.

PEOPLES DRUG NET

Peoples Drug Stores, Incorporated, for the six months ended June 30th last, reports a net income of $171,976, after charges, depreciation and taxes, equivalent after dividend requirements on the 6½ per cent. preferred stock to 80 cents a share on 122,737 no-par common shares, as against $247,041, or $1.37 a share on 123,502 common shares in the first half of 1931.

Net income for the second quarter was $70,483 after charges and taxes, equivalent to 28 cents a share on 122,737 common shares as against $101,493, or 52 cents a share on 122,737 shares in the preceding quarter.

Sales for the first six months of 1932 totaled $8,185,755, as compared with $8,577,757 for the same period of last year.

CHAINS GET SUPPLIES DIRECT

According to advice from Washington, direct buying from manufacturers by one hundred drug chains varies from 83 per cent. in photographic supplies to 18 per cent. in tobacco products.

Tobacco chains purchase at least 60 per cent. of their merchandise direct from the manufacturers.

Trade Notes

A. H. Gregg, of Faber, Coe & Gregg, and James Heaney, of the American Cigar Company, were in town last week conferring with distributors in reference to the new agency plans for the distribution and sale of the "La Corona" and other brands formerly manufactured in Havana but which will in the future be manufactured in Trenton, N. J.

Gus Lauber, of the George Zifferblatt & Company sales force ("Habanello"), has been spending a two-weeks' vacation at Atlantic City, and is expected to stop at headquarters this week to confer with Mr. Zifferblatt, who is expected to be at his desk about August 19th after spending several weeks in Europe, together with Mrs. Zifferblatt, where he has been enjoying visits to the many points of interest there, and at the same time obtaining a much needed rest. Mr. Zifferblatt sailed from Havre, France, for New York City on August 10th.

TRENTON WELCOMES NEW FACTORY

A HEARTY welcome was given the new "La Corona" factory at Trenton, N. J., last week by the local Kiwanis Club and the Trenton Chamber of Commerce, when a dinner was tendered officials of the company at the Stacy Trent Hotel, following breaking of the ground for the new factory.

Among the guests were A. H. Gregg, president of the American Cigar Company; Pat Gorman, an executive of the Henry Clay and Bock & Company, and Albert Gold, superintendent of the present American Cigar Company plant in Trenton.

The facts that the new factory will be one of the most artistic in appearance in the country, will also manufacture cigars of world-wide reputation, and employ approximately one thousand persons were enthusiastically stressed by speakers at the dinner.

COCA-COLA EARNINGS

Coca-Cola Company and subsidiaries report for the quarter ending June 30, net profit of $3,805,317 after charges and Federal taxes, equivalent after allowing for dividend requirements on 691,380 no par shares of $3 Class A outstanding at close of 1931, excluding 308,620 shares held by the company, to $3.28 a share on 1,000,000 no par shares of common stock. This compares with $2,318,220, or $1.80 a share on the common stock in the preceding quarter, and $3,906,861, or $3.39 a share on the common on above share basis, in the June quarter of the previous year.

For six months ended June 30, net profit was $6,123,537 after charges and Federal taxes, equivalent to $5.08 a share on the common, as compared with $6,438,896, or $5.40 a common share in the first half of 1931.

Directors of the company last week announced an extra distribution of 25 cents a share on the no par common stock, payable October 1 to stockholders of record September 14th.

CAMCO FILES ANSWER TO SUIT

The Consolidated Automatic Merchandising Corporation filed an answer in the Wilmington, Del., Court of Chancery last week to the suit brought against it recently by Saul Erlich, of Newark, N. J., denying many of the allegations of the complainant.

Erlich, who alleged that he was a creditor of the corporation in the amount of $1030, and that it was past due him, had his charge flatly denied in the answer. The defendant corporation also denied knowledge as to either the citizenship or residence of the complainant.

DOMINION STORES SALES

Dominion Stores (Toronto) report for the five weeks ended July 30 sales of $2,161,737, as compared with sales of $2,461,669 in the same period of last year, a decrease of 12.1 per cent. For the thirty-one weeks to the same date sales were $13,818,671, as compared with $15,260,123, for the same period of the previous year, a decrease of 9.4 per cent.

DRUG, INCORPORATED, DIVIDEND

Drug, Incorporated, last week declared the regular quarterly dividend of $1 a share, payable September 1st.

NEW "BLUE BOAR" DEAL

A HIGHLY promising deal on "Blue Boar" smoking tobacco was announced by the American Tobacco Company last week, and consists of two packages of "Blue Boar" and a high-grade steel pocket knife at a retail price of fifty-nine cents.

The deal has already been tried out in selected retail outlets and met with such a ready demand that it was deemed worthy of being offered throughout the country.

Arrangements are now being made for delivery of the deal to the trade throughout the country, which will, of course, take some little time.

The splendid reputation of "Blue Boar" as a high-grade smoking tobacco, and the high quality of the knife offered, will no doubt have a splendid effect toward increasing sales of this brand.

RETAIL CHEMISTS FILE PETITION

A voluntary petition in bankruptcy was filed in United States District Court on Wednesday by the Retail Chemists Corporation, formerly the Whelan Drug Company, Incorporated, operating a chain of drug stores.

Liabilities were listed as $10,635,000 and assets as $5,613,465.

The assets consist for the most part in stock of the Whelan Drug Company of Delaware and the Pennsylvania Drug Company with a book value of $5,426,087.

The chief creditor is the United Cigar Stores Company of America, to which $10,000,000 is due.

BAYUK CIGARS REPORTS

Bayuk Cigars, Incorporated, reports net income for three months ended June 30th, of $402,217, after deduction of maintenance and repairs, and estimated Federal income taxes, etc. After reserves there was a deficit of $48,180. This compares with net income in the second quarter of 1931 of $225,350, equal after reserves and preferred dividends to seventy-seven cents a share on 91,559 shares of common stock outstanding. For six months ended June 30, 1932, as computed from quarterly statements, the company showed net loss after maintenance, repairs, Federal taxes and depreciation, of $124,328, compared with net income of $103,377, equal to sixty-seven cents a share on 91,559 shares of common stock in the first six months of 1931.

Tom Allely, well known as former representative of the Union Tobacco Company, and later with the A. & H. Trading Corporation, of this city, has become associated with the Christian Peper Tobacco Company, of St. Louis, as factory representative for this district, and is working on "Listerine" cigarettes and the high-grade smoking tobacco brands of that company. "Listerine" cigarettes, "Wellington" smoking tobacco, etc., are distributed in Philadelphia territory by Yahn & McDonnell Cigars, and they are enjoying a gratifying demand.

UNITED STORES EARNINGS

The United Stores Corporation for the six months ended June 30th, report net income of $233,785 as compared with net earnings for the first half of 1931 of $547,559.

AIR CONDITIONING AIDS CIGAR COMPANY

REFRIGERATION installed in a factory for purposes of experimentation has resulted in higher efficiency among the workers, improvement in health, decreased absence from employment, and a reduction in labor turnover, the Women's Bureau of the Department of Labor points out in its recent "News Letter."

Installed in a Philadelphia cigar plant by the Philadelphia Electric Company to study the effects on production, factory air conditioning was found to reduce absences from fifty girls to five per half day, thereby increasing both the plant's profits and the girls' earnings. The announcement of the Bureau follows:

H. H. Mather, of Philadelphia Electric Company, has studied the savings resulting from the installation of refrigeration in the Philadelphia plant of the American Cigar Company. Although these savings are expressed largely in terms of increased production, the benefit to the workers is immediately apparent.

The study was made in 1930. Refrigeration was required for eighty-five days of the summer. Without it the company had found that an average of fifty girls per day for seventy-five days would be sick or tired in the cigar making department and work only half a day leaving at noon. This left twelve machines idle.

With refrigeration, lost time was reduced to an average of five girls out a half day for seventy-five days.

The improved conditions were found to increase efficiency so that the proportion of cigars rejected because imperfect was reduced from about 3 per cent. to about 1 per cent. These benefits increased both the plant's profits and the girls' earnings. There was also a reduction in labor turnover by about one hundred girls, as "not so many felt the urge to take jobs as waitresses in summer resorts."

Adding these and other savings it was found that the refrigerator equipment in this plant paid for itself in two summers. "It should be remembered, of course, that the figures are for the cigar making department alone," it was stated.

If similar studies were made in the stripping and packing departments, for example, there would unquestionably be additional savings to swell the total.

And, again, no attempt has been made to evaluate the general increase in health that has resulted from the comfortable working conditions provided. Production executives in many industries will do well to weigh this last point. Added to the tangible benefits of refrigeration it is a powerful argument in favor of a comfortable plant.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

with frequent repetitions of this occurrence, a dissatisfied community.

The community as a whole is ignorant of the intricate technicalities of material which it buys and is willing to purchase dependable sales service. In other words, the consuming public will pay more for merchandise if there is a good reason for a higher price. As a matter of fact, it is doubtful if the customer actually pays as much for good service as for poor service. The nation-wide attempt to reduce retail prices through the elimination of waste in distribution is a recognition of the fact that efficiency is economy; and the experience of retailers who are training their salesmen tends to prove that neither the store nor the public pays more for this service, inasmuch as the cost of training is more than offset by the economies brought about as a result of the efficiency of sales clerks.

A customer who thinks that gloves, for example, cost too much is apt to blame the retailer for the high price, without considering the many processes through which the goods passed to the merchant for final distribution. The salesman with a keen appreciation of the retailer's problems may unconsciously do much toward preventing unjust charges of profiteering. One intelligent thought leads to another, and an honest, highly respected retailer with a well-trained sales force does not lack for tactful means of awakening the community to a realization that delivery of trifling purchases and the demand for a number of other unnecessary services is largely responsible for the high cost of living.

The benefit which the public receives from an educated sales force is, of course, the sum total of useful service rendered to customers by the various clerks. A merchant who intends to train his clerks will be likely to use great care in selecting employees. Given the necessary attributes in the raw material, a store should be able to develop a valuable salesman whose interest in the retailing business will be an incentive to keep well supplied with "store knowledge."

A training supervisor in a large department store requested that each sales clerk list on a card distributed

(*Continued on Page 18*)

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

SHOREWOOD:—46,064. For cigars. July 29, 1932. Lewis-Leidersdorf Company, Milwaukee, Wis.

BEER:—46,066 (T. M. A.). For cigars. July 8, 1932. Deisel-Wemmer-Gilbert Corp., Detroit, Mich.

TRANSFERS

SHERWOOD:—28,815 (Tobacco Leaf). For cigars, cheroots, cigarettes and tobacco. Registered December 12, 1904, by E. Y. Sterner's Sons, Philadelphia, Pa. Transferred to Geo. Zifferblatt & Co., Philadelphia, Pa., July 18, 1932.

OLD PORT:—33,362 (U. S. T. J.). For cigars and cigarettes. Registered August 19, 1907, by H. Weiss, New York, N. Y. Transferred to H. Weiss Cigar Mfg. Co., Inc., New York, N. Y., February 19, 1932.

CUBAN AMBASSADOR:—40,419 (United Registration Bureau). For cigars and cigarettes. Registered October 9, 1917, by Harry Weiss, New York, N. Y. Transferred to H. Weiss Cigar Mfg. Co., Inc., New York, N. Y., February 19, 1932.

LORD GARCIA:—38,589 (United Registration Bureau). For cigars and little cigars. Registered March 3, 1914, by H. Weiss, New York, N. Y. Transferred to H. Weiss Cigar Mfg. Co., Inc., New York, N. Y., February 19, 1932.

MARTIN CIGAR COMPANY IN RECEIVERSHIP

THE Martin Cigar Company is being operated by Attorney Otis Gilbrech as receiver, following adjudication of the company in bankruptcy by Referee in Bankruptcy Walter A. Newport.

Debts of the concern total about $82,000. The assets, which consist of the stock, furniture and fixtures of stores operated by the company, cannot be determined until an inventory is taken, and a value placed on the fixtures.

Receiver Gilbrech will continue to operate six of the eleven stores controlled by the company, but five stores and the general offices and commissary at 409 Harrison Street have been closed.

Stores the company will continue to operate are Third and Brady Street; Third and Harrison Street; the LeClaire Theatre building in Moline; the Blackhawk Hotel; the Davenport Hotel; the LeClaire Hotel lobby, Moline.

Stores that have been closed are in the Kahl Building; the Putnam Building; 1630 Second Avenue, Rock Island; 509 Fifteenth Street, Moline; 1602 Fifth Avenue, Moline. The pool hall in the Davenport Hotel has also been closed though the cigar stand there remains open.

Admission of bankruptcy was made by H. J. Parmentier, secretary of the company, following the filing of a petition by three creditors that the firm be declared in involuntary bankruptcy.

The Lagomarcino Grupe Company, with a claim for $526.01; the Ideal Heating & Construction Company, with a claim for $362.86 and the Crescent Macaroni & Cracker Company, with a $108.18 claim were the petitioning creditors. The petition was filed by Attorney Realff Ottesen of Ottesen, Doerr & Weise.

RETAIL STORE PROBLEMS

(*Continued from Page 17*)

for that purpose the unusual questions satisfactorily answered during the day. A checking up of the daily sales record showed a direct connection between the use of "store knowledge" and the number of sales made. The following is an exact copy of inquiries on the query card handed in by the twenty-four-year-old salesman who made the highest sales record for the day in the dry-goods department:

1. Would gold braid be too bright on this shade of red?
2. My little girl is nine years old. How much of this material do you think I need for her dress?
3. Do you know where I can find a good seamstress?
4. Please tell me on which floor I can buy baby shoes with chamois soles.
5. Do you think I can match this material later on if I find I need more than four yards?
6. Have you any gray jersey which will not shrink?
7. Is the mouse-trap department on this floor?
8. Three yards ought to be enough. Do you think dresses will be worn longer next spring?
9. Do you keep balloon material?
10. Will this cloth spot?
11. Do you think my husband would like a shirt made out of this? Is there any place in town where I can buy collar bands made to fit different sizes of collars?
12. Is fresh spinach sold in this store?
13. Which of these three pieces would make up into the prettiest dress?
14. Is artificial silk now used to make satin?
15. Do you get tired of standing on your feet all day?
16. Will this material wear very long?
17. Do you think this novelty goods would go well with gray suède slippers?
18. Are you studying any profession on the side?
19. Don't you think this cotton cloth is good enough for the office?
20. Why does this wool plaid cost more than silk?

The query card was used as the basis of a brief report on the necessity of being industrious and tactful in order to give helpful service. Illustrations were given to show that a satisfactory answer to an apparently foolish question might save the customer time and money, and a courteous response to an idle remark concerning merchandise, sales force, or politics might be the beginning of a patronage which would prove of mutual benefit to the store and customer.

The average shopper does not enjoy making complaints and is appreciative of good service. On the other hand, a cracked ironing board carelessly sent out in place of the one paid for may be quite enough to decide a good customer that he would do well to transfer his patronage to a store where clerks are trained to give proper attention to details.

Benefit to Sales Clerk

The clerk in a retail store which has put into effect a systematic training course for its employees shares in the advantages which the store and community derives from the education of a retail sales force. In addition to that which has been mentioned, the sales clerk receives special benefits, both direct and indirect. He profits through his own opportunities for training and through the progress made in the vocation which he has selected as a means of livelihood.

(To be Continued)

SEPTEMBER 1, 1932

VOLUME 52 No. 17

THE TOBACCO WORLD

GUARD YOUR CIGARS WITH GOOD WOODEN BOXES

Foundations exist to protect human life, animals and even insects. The wooden cigar box exists because generations of experienced cigar manufacturers have found wood to be the material most favorable to the development of the true richness of the tobaccos used in their products. Wooden boxes are Nature's own contribution to the guardianship of the "goodness" in cigars.

Beneath the surface of present conditions there is every indication of a substantial foundation which presages the early revival of business activity. The cigar industry will share in this upward trend toward economic recovery.

The season approaches when preparations are made for the packaging of cigars for the holiday trade. The limited incomes of the vast majority of cigar smokers call attention to the necessity for offering cigars by the box in quantities which will appeal to the greatest number.

AUTOKRAFT BOX CORPORATION is prepared to render prompt and efficient service in supplying standard and novelty boxes in sizes to meet the requirements of those manufacturers who are planning to reach the largest percentage of the cigar buying public—those who wish to buy cigars for gifts or personal use packed in wooden boxes. Quotations will be gladly made on standard and novelty packages, as well as boite nature boxes in either Redwood or Spanish Cedar.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

Fashion Note
for the well-dressed cigar:

★ ★

WOODEN BOX

★ ★

The longstanding pork and beans alliance, the famous Smith Brothers partnership, the life-long friendship between Tom and Jerry—none of these is more inevitable or more lasting than the fondness of a fine, mellow cigar for a fragrant wooden box.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 **THE TOBACCO WORLD** Number 17

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year PHILADELPHIA, SEPTEMBER 1, 1932 Foreign $3.50

"CREMOS" NOW 3 FOR 10 CENTS

EFFECTIVE Monday, August 29th, distributors of "Cremo" cigars were notified that the wholesale price of this popular brand of the American Tobacco Company had been reduced to $30 per M less the usual trade discounts.

The distributors were also advised that in order that they might commence to sell Certified "Cremo" cigars at once at the new price, they would be allowed the difference between the new price of $30 per M, and the former price of $38.50 per M, on the stock which they had on hand and in transit as of the close of business August 27th, up to and not more than one month's supply.

Also, in order that the retailer may immediately begin to sell Certified "Cremo" at five cents straight—three for ten cents, where the retailer will co-operate, the distributor will be allowed to cover their stocks of Certified "Cremo" cigars on hand up to one month's additional supply based on the distributor's purchases from the American Tobacco Company.

The distributor is instructed to mail report of cigars on hand to the American Tobacco Company for credit but not to make any deductions from his remittances to cover allowance as check for the net difference in price will be mailed promptly as soon as his report is received and audited. Reports must be received in the office of the American Tobacco Company prior to October 1st, 1932.

In order that the consumer may be notified of the change in price as quickly as possible, and inasmuch as the American Tobacco Company is covering both the jobber's and retailer's stock, the jobber has been requested to see that new stickers advertising the new price of five cents straight—three for ten cents is attached to every box of Certified "Cremo" cigars in stock at once.

The retailer's stock is to be covered only where the jobber's salesmen can secure the co-operation of the retailer in the following manner:

When retailer's stock is covered, the salesman must place a sticker on each box of Certified "Cremo" cigars the retailer has on hand reading "5¢ straight-3 for 10¢."

The retailer must buy an additional quantity of Certified "Cremo" cigars equal to the quantity of his stock that is covered.

The salesman must make a showcase placement in each retailer's store and secure the promise of the retailer to continue this showcase display.

Salesman must place a window poster showing the new price on each of his retailer's windows.

The quality of Certified "Cremo" cigars will be maintained at all cost, since today more than ever be-

(Continued on Page 18)

UNITED CIGAR STORES BANKRUPT

THE United Cigar Stores Company of America filed a voluntary petition in bankruptcy on Monday, in New York City, following a meeting of the Board of Directors. Liabilities were listed at $9,502,029.

The principal liability was said to be $8,515,000 as guarantor for the Cigar Stores Realty Holdings, Incorporated, an affiliate, which also filed a petition in bankruptcy today.

A directors' meeting was held today at which a decision was reached to file a voluntary petition. The minutes of the meeting set forth that the company was unable to pay its debts.

The parent company listed book value assets of $8,341,634.98.

The Irving Trust Company was appointed receiver. The petition contained 618 typewritten pages, one of the longest ever filed here. It listed 810 stores in all parts of the country with their stocks, leases and outfittings.

A statement was issued by the parent company saying that losses in the company's realty business during the past month "went beyond the ability of the company to stand."

It was said there was full confidence that "with the co-operation of the company's creditors" a reorganization can be effected.

The Realty Holdings concern listed liabilities at $8,701,000 and assets with a book value of $9,811,957.

B. F. GOOD, LANCASTER MAN, DEAD

Benjamin F. Good, one of the best known leaf tobacco merchants in the industry, passed away at the Lancaster General Hospital, on August 19th, where he had been undergoing treatment for a serious ailment for several weeks.

Although Mr. Good had been in ill health for a long time, his death was entirely unexpected and was a great shock to his many friends.

Mr. Good was born at Conestoga Center, Pa., in 1854 and entered the leaf tobacco business at an early age, where by hard work and excellent ability he became head of the leaf tobacco packing house of B. F. Good & Company, in Lancaster, Pa., fifty-two years ago and continued as head of the firm until his death.

Funeral services were held from his late home in Lancaster on Monday, August 22d, with interment in Greenwood Cemetery.

He was seventy-eight years old. He is survived by his widow, two daughters and one son, Benjamin F., Jr., who will continue to conduct the business of B. F. Good & Company without change.

PHILADELPHIA.

WAGNER NOT TO DISTRIBUTE BOCK BRANDS

JOHN WAGNER & SONS, Dock Street distributors, announced to the local trade, under date of August 11, that they would not distribute the cigars of the Henry Clay and Bock & Company, to be made in Trenton, N. J., and therefore recall their letter of August 1, so kindly accepted by a number of retail outlets, inviting them to become retail sales agent.

The Wagner house also announces that in addition to their clear Havana brands, "Don Sebastian" and "Garcia y Vega" (made in bond, Tampa, Fla.) and domestic cigars, they will specialize as heretofore in high-grade imported cigars (made in Cuba).

FRANK WILLS STRESSES TOBACCO TAXES

Franklin P. Wills, executive vice-president and general manager of the G. H. P. Cigar Company, addressed the local Rotary Club at a luncheon on August 24 at the Bellevue-Stratford Hotel, and told the guests that users of tobacco pay more in taxes for that pleasure than Uncle Sam collects from any other source except income tax.

Tobacco is one business, said Mr. Wills, that has held up magnificently in spite of the depression. Americans are paying taxes on more than 17,000,000 cigars every day right now, besides on a huge output of cigarettes, pipe and chewing tobacco and snuff.

Trade Notes

The Knauff Cigar Company, Sheboygan, Wis., has recently been assisted by Milton Wolff in a drive on Bayuk cigars in their territory with good results.

Louis Cramer, vice-president of Bayuk Cigars, Incorporated, in charge of domestic leaf tobacco purchases, has returned to his desk after having spent a most enjoyable vacation in the State of Maine.

Mr. Joseph Wagner, of John Wagner & Sons, left last week for a short visit to Hot Springs, where he will rest and recuperate from a severe cold which recently necessitated his absence from the office for several days.

The Cliff-Weil Cigar Company, Richmond, Va., are maintaining their pace of sale of Bayuk cigars in their territory and were recently aided by F. L. Brumsey, of the Bayuk sales organization.

George Zifferblatt, of George Zifferblatt & Company, has returned from a visit to points of interest in Europe and has plunged right into plans for the fall campaign on his brand, "Habanello."

The "Royalist" cigar, Grabosky Brothers, Incorporated, North Second Street, manufacturers, is meeting with a splendid demand in the territories where it has been placed, and plans are being laid for expansion just as soon as conditions warrant.

"Briggs" pipe tobacco, manufactured by the P. Lorillard Company and distributed in Philadelphia territory by Yahn & McDonnell, is meeting with a splendid demand. This is a high-grade smoking tobacco retailing at fifteen cents a package.

B. J. Myers spent a few days last week with Paras Brothers, Easton, Pa., distributors, and the Gilbert Tobacco Company, Reading, Pa., distributors, in the interest of "Habanello" cigars, which are showing considerable activity in those territories.

Harry Catlin, who is associated with the sales department of Bayuk Cigars, Incorporated, has returned to headquarters after a swing around the country visiting the various Bayuk branch distributing offices, and reports a splendid demand for Bayuk brands.

John Wagner & Sons, are receiving a fine call for "Don Sebastian" clear Havana cigars, made in bond by Arango y Arango, Tampa, Fla., and smokers are commenting favorably on the flap which is being inserted in each box stating that "over half a century experience with Havana tobacco has convinced me that Spanish cedar is the only container that will retain the delicate fragrance and aroma characteristic of this tobacco, and cigars of our manufacture without the transparent wrap receive my unqualified indorsement as below." The wrap bears a facsimile signature of Pancho Arango.

"Nature in the Raw
is seldom MILD"
THE DARK AND BLOODY GROUND
'Nature in the Raw'—as portrayed by N. C. Wyeth, noted painter of the American Indian . . . inspired by the fierce cruelty of the savages whose knives and tomahawks caused the story of the Pioneer West to be written in blood.

—and raw tobaccos have no place in cigarettes

Copr., 1932, The American Tobacco Co.

They are *not* present in Luckies . . . the *mildest* cigarette you ever smoked

WE buy the finest, the very finest tobaccos in all the world—but that does not explain why folks everywhere regard Lucky Strike as the mildest cigarette. The fact is, we never overlook the truth that "Nature in the Raw is Seldom Mild"—so these fine tobaccos, after proper aging and mellowing, are then given the benefit of that Lucky Strike purifying process, described by the words—"It's toasted". That's why folks in every city, town and hamlet say that Luckies are such mild cigarettes.

"It's toasted"
That package of mild Luckies

"If a man write a better book, preach a better sermon, or make a better mouse-trap than his neighbor, tho he build his house in the woods, the world will make a beaten path to his door."—RALPH WALDO EMERSON.
Does not this explain the world-wide acceptance and approval of Lucky Strike?

G. W. HILL INSURED FOR $2,500,000

IT has recently been revealed that George Washington Hill, president of the American Tobacco Company, has received an insurance policy on his life in the amount of $2,500,000, and the agent involved is revealed as James Roosevelt, son of Franklin D. Roosevelt, Governor of New York State. The policy is said to be the largest ever written in New England.

Mr. Roosevelt is connected with the insurance firm of Obrion, Russell & Company, of Boston, and when questioned about the policy he stated that he could not ethically either confirm or deny the report.

The policy was distributed among a group of mid-western insurance companies, as no one company desired to assume the entire risk.

RED LION A REAL CIGAR CENTER

A statement issued by Philip H. Dewey, Pennsylvania State Secretary of Internal Affairs, discloses the fact that Red Lion, Pa., produced 128,868,000 cigars during the year 1931.

Mr. Dewey stated: "Red Lion, a borough with a population of 4757 in the heart of the cigar manufacturing industry in York County, has a production record probably unequaled by any place in the United States. The total cigar production would indicate if every man, woman and child in the borough would be engaged in manufacturing cigars, each would produce approximately 27,000 in a year."

Mr. Dewey also stated that the town's annual production would be sufficient to entirely cover a piece of highway eighteen feet wide, a distance of thirty-nine miles.

During 1931, 1936 persons in Red Lion were employed in the cigar industry and their compensation amounted to $1,317,700.

AXTON-FISHER PUSHED TO CAPACITY

Since the introduction by the Axton-Fisher Tobacco Company, Louisville, Ky., of their "Twenty Grand" cigarette, retailing at twenty for ten cents, the company has been forced to run night shifts and at present is unable to get production enough to meet the demand.

"Twenty Grands" proved an instantaneous success and although their distribution has thus far been restricted to a limited territory, the demand keeps increasing.

Other Axton-Fisher products, such as "Spud" cigarettes, continue to forge ahead also, and with a large sale for their "Clown" cigarettes, "Old Hillside" smoking tobacco, "Himyar" cigarette tobacco and their other brands, the company is enjoying a very successful business.

PORTO RICAN-AMERICAN REPORT

The Porto Rican-American Tobacco Company and subsidiaries, including the company's proportionate share of Congress Cigar and Waitt & Bond, Incorporated, report for the quarter ended June 30, 1932, consolidated net loss of $26,114 after interest, discounts, etc., as compared with net loss of $40,834 in the preceding quarter.

For the first six months of 1932, consolidated net loss was $66,948 after the above charges, as compared with net profit of $104,035, equivalent to 51 cents a share on 203,768 no-par shares of $3.50 Class A stock in the first half of 1931.

Trade Notes

Gus Lauber, factory representative of the "Habanello" factory, for Cleveland and southern Ohio and New York State, was a recent visitor at headquarters of George Zifferblatt & Company. Mr. Lauber has been enjoying a vacation at Atlantic City, at the Hotel Shelburne.

Recent visitors in town included John L. McGuerty, of "Romeo y Juliet" factory; Alvaro M. Garcia, of the "Garcia y Vega" factory, Tampa, and "Kid Nichols," of the "Belinda" factory. All were optimistic over the outlook for a definite upturn in business in the near future.

Yahn & McDonnell Cigars, 617 Chestnut Street, distributors of high-grade domestic and imported cigars, report business on their various brands holding up very well in face of present conditions. They will continue to distribute "Corona" cigars and other brands of the Henry Clay and Bock & Company, which will be manufactured in Trenton, N. J., in the future.

The "Mapacuba" cigar, manufactured by Bayuk Cigars, Incorporated, and recently reduced to five cents has won a large volume of friendly smokers who do not hesitate to recommend it to their friends, which is proven by the splendid volume of sales enjoyed on this brand in the various territories in which it has been placed.

Garcia y Vega early in August celebrated their twenty-fifth anniversary of the opening of their Tampa factory, and have been in the business of manufacturing clear Havana cigars for a period of fifty years. They also maintained a factory in New York until about eight years ago. Manufacturing activities are now concentrated at Tampa under the direction of Pancho Gonzalez.

"Wings," the new ten-cent brand of cigarettes, manufactured by the Brown & Williamson Tobacco Corporation, Louisville, Ky., is enjoying a most gratifying sale in this territory.

In order to meet the growing demand for its various brands, the Brown & Williamson Tobacco Corporation contemplates opening a branch factory at Petersburg, Va. The Louisville plant has been working a night shift for some time. Petersburg has excellent facilities for cigarette manufacturing.

JAMES A. POND FILES PETITION

James A. Pond, 19½ Myrtle Avenue, Middletown, N. Y., last week filed a voluntary petition in bankruptcy, listing liabilities of $5767, and assets of $2908.

A voluntary petition in bankruptcy was filed in New York last week by Frank E. Fonseca, cigars, 88 University Place, New York City, listing liabilities at $10,000; assets about $7000.

Switch to Camels

Never parched or toasted

A BLEND of choice Turkish and mild, sun-ripened Domestic tobaccos—Camels are never parched or toasted. Made fresh and kept fresh in the Camel Humidor Pack, Camels are mild and cool-burning. If you haven't smoked a fresh cigarette lately, switch to Camels for just one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

© 1932, R. J. Reynolds Tobacco Company

CAMELS
***Made* FRESH—*Kept* FRESH**

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DEPRESSION conditions have had no apparent effect upon our position in international trade and our industries are no more dependent upon exports today for maintenance of production than they were prior to 1929, according to a study just completed by the Department of Commerce.

"Considerable attention has recently been given to the relative importance of export as compared with domestic trade," it is declared in a bulletin embodying the results of the survey. "Although available statistics are not adequate for making more than a rough estimate, the measure commonly used to determine its importance is the ratio of exports to domestic production. The value of exports is occasionally compared with the total income of the American people, which comprises not merely the value of exportable products but also the cost of construction and services that cannot be incorporated into goods capable of exportation. On this basis, the importance of total exports is relatively small, amounting to approximately 6 per cent. of the total national income in 1929, and to about 5½ per cent. in 1930, the latest year for which income data are available.

"The more satisfactory method, however, is to compare exports with the output of agriculture, mining and manufacturing industries plus costs of transportation, which covers in large part the total domestic production of exportable commodities. Exports in the peak year of 1929 constituted a smaller proportion (approximately 10 per cent.) of domestic output than at the beginning of the present century and only a slightly greater share than that immediately preceding the World War.

"While exports from the United States have grown rapidly and their character has shifted considerably, statistics emphatically reveal that we are not becoming dependent to any greater degree on foreign commerce for the maintenance of national production. The significant fact is not that our foregn markets are unimportant, but rather that the domestic market predominates. With its abundant resources, the United States has been able to increase its domestic output very rapidly and has not been compelled to obtain from foreign sources an increasing proportion of its consumption."

Anxious to determine whether recent improvement in industry is merely the evidence of seasonal demand, much delayed, or the real "turning of the corner" precedent to a revival of business activity, Administration officials in Washington are closely watching reports now being received from all sections of the country, telling of the reopening of factories and expansion of employment.

So far, it has been difficult to evaluate the net result of the recent industrial movement, gains in some lines being offset by recessions in others, but the general consensus is that business and industry today are in a more optimistic frame of mind than at any time in the past two years.

"Even if the present accelerated demand is only seasonal," one official of the Government pointed out, "it is putting many men to work and the money they earn will be spent for things they need, thus putting others to work. If this 'seasonal demand' is fairly evenly spread over the country and continues long enough, therefore, it will grow into a steady revival of business. Once improvement gains momentum there will be no stopping it, for all surplus stocks of commodities have long since been disposed of and even a slightly increased demand will necessitate an expansion of manufacturing."

One of the outstanding developments of the past few days has been the purchase by one of the steel companies of 50,000 tons of melting steel scrap, believed to have been prompted by an expectancy of early improvement in the steel trade. The trend of scrap steel is still recognized as one of the best barometers of prospective conditions in this industry, and steel itself is still considered one of the outstanding industrial barometers.

Neither tax nor tariff will come up for consideration during the next session of Congress unless something "not now foreseen" should develop, according to Senator Reed Smooth of Utah, Republican chairman of the finance committee.

Democratic policies with respect to these two matters will not be determined until the November elections show whether they will be in power during the next administration. If the Democrats elect sufficient members to control the Senate and House in the next Congress, it is expected they will defer tariff and tax revision until after March 4th; if, however, the Republicans wrest control from them next November, it is anticipated that tax and tariff will be vigorously agitated during the short session.

Republican leaders believe that there should be no "tariff tinkering" during the depression period and that consideration of tariff revision should be deferred until the world has climbed out of the slump, when a more rational attitude toward trade barriers may be

(Continued on Page 16)

GENERAL CIGAR ASSISTING RETAILER

ADVERTISING of the General Cigar Company featured on another page of this issue, comes right out and offers a friendly hand to the retailer of "White Owl" cigars, which should be appreciated by the retailer under present conditions. The advertisement points out that the retailer of "White Owl" cigars should not be asked to sell them for less than five cents each, and emphasizes the fact that it is absolutely the same cigar that formerly sold for seven cents.

The Wall Street Journal in a recent article stated the General Cigar Company was one of the few companies to show net, in the second quarter, ahead of 1931 figures, earning 83 cents a common share, as compared with 81 cents a share in the second quarter of last year.

In the second 1931 quarter the company had to absorb an inventory loss necessitated by a reduction in price of its "White Owl" cigar to five cents on June 15. The better showing, however, has not been due solely to that factor; distinct improvement in earnings has been shown, especially since the beginning of June.

In the second half year earnings should be substantially better than the $1.28 a share shown for the first half, and at least equal to a half year's dividend requirements on the common at the present rate of $4 a share annually. The second half of the year is usually better than the first half, due to seasonal factors, the first quarter being always the poorest for the cigar industry in general.

It is significant that in three of the last four quarters, excepting only the March quarter of 1932, General Cigar has shown improvement over the preceding year; for the four quarters ended June 30, 1932, aggregate net of the company was $2,590,723, or $4.69 a share against $2,660,427, or $4.88 a share in the preceding four quarters, only a slight decline and indicating a surplus over dividend requirements at the present rate.

The good showing, in contrast with that of most cigar companies, has been due to the success of "White Owl" with over 425,000,000 sold in the first year after the price reduction—the largest sale of any single brand, and representing about 12 per cent. of all five-cent cigars sold in the period. On its higher priced "Robert Burns," recent price cuts have permitted the company to stem, to some extent, the decline which all cigars in the ten to fifteen-cent class have been feeling.

In the first six months of 1932 it had a higher proportion of the country's total cigar business than in the like 1931 period.

PRACTICAL AIDS TO THE INDEPENDENT MERCHANT

A small pamphlet entitled "Practical Aids to the Independent Merchant" has just been released by the Marketing Service Division of the Bureau of Foreign and Domestic Commerce, Department of Commerce, Washington, D. C., which contains a considerable amount of information of value to the independent retail merchant, and of which they should not hesitate to take advantage.

The pamphlet also lists a large number of pamphlets which have been carefully prepared for the use of the retailer, manufacturer and wholesaler.

This pamphlet can be obtained from your local branch office of the Bureau of Foreign and Domestic Commerce, or by writing direct to the bureau at Washington.

PENNSYLVANIA PASSES SALES TAX

THE SPECIAL session of the Pennsylvania State Legislature has passed a general sales tax of 1 per cent. on retail sales in the State, except those involving real estate or sales of farmers direct to consumers.

The tax was passed over the protest of a multitude of retail merchants throughout the State and is effective for a period of six months beginning September 1. The measure is designed to raise $12,000,000 to $15,000,000 for direct unemployment relief. Just how the tax is to be handled on five, ten-cent and sales under $1 is a problem which has not yet been solved.

PHILIP MORRIS IN STRONG POSITION

An analysis of Philip Morris & Company, Limited, Incorporated, issued last week by Harde & Ellis, members of the New York Stock Exchange, shows a ratio of 28 to 1 of assets to liabilities and cash holdings at the end of 1931, sufficient for more than two years' dividend of $1 a share on the 415,465 shares of capital stock.

The survey points out that the company is one of those which has maintained an unbroken dividend record and continued to show substantial expansion in its business despite three years of adverse conditions for virtually all industry and business.

The balance sheet as of March 31 shows book value of Philip Morris stock of $10.91, exclusive of good will.

CONSOLIDATED REPORTS NET

The Consolidated Cigar Corporation and subsidiaries reports net profit for the six months ended June 30 of $540,251, after taxes and all charges, equivalent after dividend requirements on the 6½ per cent. prior preferred and 7 per cent. preferred stocks to 51 cents a share on 250,000 no-par shares of common stock.

This compares with $1,094,233, or $2.63 a share in the first six months of 1931. For the quarter ended June 30, 1932, net profit was $295,715, after charges and taxes, equivalent to 36 cents a share, as compared with $244,536, or 15 cents a share in the first quarter, and $615,686 in the June quarter of 1931.

NEW CIGAR VENDING MACHINE

G. B. Macke, Washington, D. C., has invented a new vending machine to dispense cigars, and plans to introduce the machine in Washington in the near future.

The machine has the approval of the Internal Revenue Department and dispenses the cigars from the box. The machine holds two boxes of cigars and keeps them in perfect condition.

The machine also carefully checks the size and weight of each coin inserted, also the magnetism and density, and is particularly convenient for the customer.

TO MANUFACTURE B. C. TOBACCO

New Westminster, B. C., Aug. 25.

Arrangements have been completed here, according to the industrial department of the Canadian National Railways, for the establishment of a company to manufacture pipe and cigarette tobacco from British Columbia tobacco. The company has 250 acres under cultivation near Sumas and has acquired a building for housing the necessary manufacturing equipment.

PHULOFAX STRESSES "LITTLE THINGS"

FROM Littletown, U. S. A., comes another communication from the famous retail cigar expert, Phil M. Phulofax. Known as "the retailer's friend," Phulofax, whose home office is with Bayuk Cigars, Incorporated, of Philadelphia, has spent years both in the retail business and in studying conditions of the trade. He is at present making a trip throughout the country to obtain new selling ideas, which he will pass along through the advertising columns of this magazine, and to check up on the status of the retailer in every part of the United States.

"Little things make big differences," says Phulofax, "in the cigar business as in any other. For instance, have you ever hearkened to the voice of your cash register as the sales were pounded in? Of course the sound is music to your ears, whether it registers like the crash of hash house plates or the tinkle of delicate tea cups. But give a thought to the sensitive ear of your customer. How does it sound to him—like the smash of one fender against another when a flivver meets a friend, the dull thud of a hammer as it hits your thumb instead, the sickening shatter of one of your wife's best glasses—or anything else, in fact, but the rich tone it should have?

"Just a minute! I'm not going in for art for art's sake, and I certainly do not pride myself on a musical ear. I can carry a tune, something like 'Dixie' or 'The Sidewalks of New York,' but I never considered myself much of a maestro. It's just a matter of general impressions. I don't mean for a moment that a fine bell will bring in business, or that a plunkety-plunk performer will scare it away, but that sound, which can be so merry, is just one of the little things that makes up the general impression that your store is well kept and smooth running.

"All this occurred, or re-occurred, to me here in Littletown, where I visited two shops as unlike as an old straw hat and a brand new Panama—the one sloppy, down at the heel, the other neat and up to scratch—and the keynote to the whole situation was sounded in the two cash registers. One clattered unpleasantly as my money disappeared. The other rang true and mellow, distinctly pleased to receive my hard-earned coin, and, as might be expected, seemed to be getting a lot of use.

"Thoroughgoing Frank Keepatit, who owns the silver-voiced machine, said that he gave it frequent attention. 'Call the service man and have it inspected every so often. Keep your ear listening for the condition of its throat. No bell will speak sincerely when it's covered with rust and no business can pile up profit if it's shoddy about even the littlest things.'

"That's the stuff, Frank, and you're getting there. Keeping your eyes and ears peeled for every little jarring note, or for every possible improvement is a mighty sure sign that you're on your way to better business and bigger profits. I, too, am on my way, sorry that I can't stay longer in these friendly places, but the country is broad and long and there's still a lot of territory to cover before I hurry back to Philadelphia to tackle the work that is piling up on my desk. You'll hear from me at the next stop."

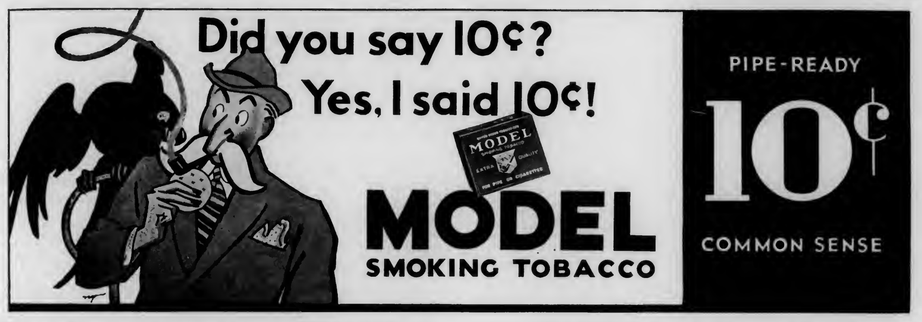
WOMAN 102 HAS SMOKED SINCE 15

Placidly smoking her pipe, Mrs. Abbie Holman, pioneer, of Lincoln, Kans., celebrated her one hundred and second birthday on August 24.

Mrs. Holman has smoked since she was fifteen years old. She has never talked over the telephone, doesn't like the radio, and has ridden in an automobile only twice.

SEVEN MONTHS WITHDRAWALS FOR CONSUMPTION

	First 7 Mos. Cal. Yr. 1932	—Decrease +Increase Quantity
Cigars:		
Class A—U. S. ..	1,969,968,705	— 130,975,225
P. R. ..	43,853,500	— 40,300,055
P. I. ...	91,972,961	+ 591,880
Total	2,105,795,165	— 170,683,400
Class B—U. S. ..	31,965,048	— 103,376,316
P. R. ..	141,000	— 988,250
P. I. ...	364,229	— 315,645
Total	32,470,277	— 104,680,211
Class C—U. S. ..	491,732,064	— 305,729,226
P. R. ..	2,187,550	— 850,780
P. I. ...	156,412	— 137,232
Total	494,076,026	— 306,717,238
Class D—U. S. ..	30,722,767	— 19,846,091
P. R. ..	2,700	— 29,900
P. I. ...	2,626	— 54
Total	30,728,093	— 19,876,045
Class E—U. S. ..	1,798,653	— 3,832,449
P. R. ..	.....	— 1,500
P. I. ..	19,085	+ 14,104
Total	1,817,738	— 3,819,845
Total All Classes:		
U. S. ..	2,526,187,237	— 563,759,307
P. R. ..	46,184,750	— 42,170,485
P. I. ...	92,515,312	+ 153,053
Grand Total	2,664,887,299	— 605,776,739
Little Cigars:		
U. S. ..	168,085,227	— 41,619,387
P. R. ..	2,050,000	— 2,950,000
P. I. ...	.....	.....
Total	170,135,227	— 44,569,387
Cigarettes:		
U. S. ..	61,431,555,600	—8,700,499,348
P. R. ..	2,694,700	— 3,835,300
P. I. ...	932,347	— 392,563
Total	61,435,182,647	—8,704,727,211
Large Cigarettes:		
U. S. ..	2,120,077	— 1,336,655
P. R. ..	303,000	— 657,000
P. I. ...	1,000	— 700
Total	2,424,077	— 1,994,355
Snuff (lbs.):		
All U. S.	21,589,297	— 2,478,580
Tobacco (Mfd.):		
U. S. (lbs.)	183,136,899	— 8,410,871
P. I.	427	— 251
Total	183,137,326	— 8,411,122



NEW ORGANIZATION FOR CIGAR MANUFACTURERS

CIGAR manufacturers throughout the country were recently mailed a letter outlining plans for a new organization to be known as the "U. S. Cigar Manufacturers Association," with headquarters at 1225 Broadway, New York City. The letter was signed by Edward Hirschberger, secretary of the association, and who has been associated with the cigar industry for many years, and reads as follows:

"We are enclosing herewith application for membership in our Association, which was recently organized under the guidance and direction of Louis Dorfman, Esq., of 2 Lafayette Street, New York City, who is the General Counsel and Advisor of the Association. The principal objectives of the organization are as follows:

"First: Proper representation in the creation and guidance of State and Federal Legislation so as to preserve and protect the best interests of the Cigar Manufacturing industry.

"Second: The maintenance of price and equalization of sales.

"Third: The elimination of unfair competition.

"Fourth: Minimizing use of ambiguous advertising matter.

"Fifth: Constructive educational campaign concerning the fallacy of shipping goods on consignment.

"Sixth: Regulatory measures necessary in dealing with the cut-rate dealers and racketeers in the retail industry.

"Seventh: Establishment of Interchange Bureau for the purpose of gathering credit and policy information for the guidance of members.

"The first general meeting of the Association will be held in the very near future and notice of said meeting will be sent, in due season, to the membership. The annual dues will be fixed on a sliding-scale, but shall not in any event exceed Fifty ($50.00) Dollars per annum. The schedule of dues will be fixed by the membership at its first meeting. It is hoped that by fixing the maximum amount of annual dues at Fifty ($50.00) Dollars, which is very nominal indeed, a very substantial proportion of the Industry will enroll.

"All those who make application for membership in the Association may avail themselves of the services and benefits to be derived, details of which will immediately be sent to each applicant, upon the receipt of a signed application.

"You will appreciate that, in order to realize the objectives of this organization, the diligent and hearty cooperation of every member is necessary. It is sincerely hoped that you will join-up without delay.

"The immediate return of this application properly signed will entitle you to the full use and benefit of the services offered by the Association and at the same time enable the organization to function in the most expeditious manner possible, which of course will enure to our mutual benefit."

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo. ..... President
E. ASBURY DAVIS, Baltimore, Md. ..... Vice-President
E. W. HARRIS, Indianapolis, Ind. ..... Vice-President
JONATHAN VIPOND, Scranton, Pa. ..... Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J. ..... Secretary

NEW JERSEY JOBBER TO DROP CIGARETTES

An announcement by the South Jersey Tobacco Company, tobacco distributor, of Mount Holly, N. J., states that that firm will discontinue the jobbing of cigarettes in the near future.

No definite date for the discontinuing of cigarettes was stated, but Mr. Warrick, senior partner of the firm said that cigarettes would be discontinued because there was no longer any profit in those items for his company.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

EDUCATION OF A RETAIL SALES FORCE

(Continued from previous Issue)

At one time little more was expected of a store clerk than that he be able to find the article of merchandise requested and read the price tag attached to it. The public attitude toward "just clerking" is being changed by the retailer's growing tendency to employ no one who has not a good preliminary education or who fails to show evidences of natural ability to indicate that he can be store trained into a technically educated salesman. With this condition generally prevailing, the store will attract the best type of person for selling, and the trained, expert sales clerk will be elevated to a position consistent with his increased value to the retailer, customer, and community.

Methods of Instruction

In a small store the proprietor, manager, or some member of the firm will find many opportunities for controlling the training of the employees. There the educational work can be conducted quite as systematically and in many cases more successfully than in the large dry goods, clothing, and department stores. The small store can provide sales demonstrations and conferences at regular intervals to develop economical tendencies, enthusiasm, loyalty to the store, and general efficiency in salesmanship. If the organization is not too large to make it possible for an executive to supervise personally the training given, the results may often prove more effective than the system established in a store which must hire an expert from the outside. The small store can carry out much the same training as is given to one personnel group in a large institution. Which type of store has the greater need for training its employees and the greater success in developing efficiency as a result of the educational program established depends upon many things, including the type of clerks employed, personality of the director, method of training decided upon, and the zeal and determination with which "store education" is undertaken.

One of the newest developments in retail salesmanship training is the plan by which small stores are enabled to cooperate and secure for short periods the services of expert personnel supervisors at a relatively small expense. This plan is likely to be particularly satisfactory to retailers who have within their stores one or more sales clerks particularly qualified to continue the work begun by the visiting expert.

The large stores have quite generally recognized the need of educating their employees to greater efficiency in selling. Educational departments under a personnel director who has several assistants is now an established feature of the big stores, and as a result wasteful errors in salesmanship are being discovered and corrected. Groups of employees report to the classroom regularly for instruction in the subjects outlined for their benefit.

The length of time devoted to the instruction of beginners varies with the demands and the policies of the store. Often beginners spend several entire days in the classroom. After this preliminary instruction the sales classes are usually held in the slack period of the morning. Whether the case, question and answer, or textbook method should be used can best be decided by the instructor in charge.

Advanced classes, provided for those who elect to continue their classroom education after completing the preliminary training, are as a rule well attended. This indicates that the employees themselves realize the need of increased efficiency.

Motion pictures, stereopticon views, lectures by executives and buyers, demonstration sales by fellow employees, and trips to museums and factories are used to supplement the teaching of the educational director. Systematic instruction usually ends with courses given in the classroom, but personal effort should be stimulated and material should be provided for those who are capable and willing to continue their development. Experts from the outside, floor managers, and other experienced salesmen can in many ways instruct the clerks in continuing work begun in the classroom. House organs, reading lists, store libraries, review questionnaires, special salesmanship reports, clubs, and sales contests all have their value in arousing enthusiasm for cooperating in the store's success and in contributing to the employee's education.

Course of Study

No attempt will be made to outline an ideal course of study, as the subjects to be included must necessarily vary with characteristic conditions prevailing in different stores and communities. In determining the extent and scope of any particular course there should be taken into consideration the reasons for training, the type of personnel, character of the merchandise handled, characteristics and policies of the organization, and the store's facilities.

General Topics

For the purpose of training, the store personnel may be divided into three groups—the temporary group, beginners belonging to the permanent sales force, and long-time members. In those communities in which retail salesmanship is taught in the public schools some of the topics suggested in the general outlines will not be a necessary part of store instruction. A course in retail salesmanship usually includes the following subjects:

1. *Merchandise.*—Processes of production, the geographical source of material, the wearing quality and other characteristics of merchandise, reasons for differences in retail prices, and correct methods of receiving, marking, storage, stock control, and display.

2. *Psychology of salesmanship.*—Effects and classification of buying motives, elements of tactful sug-

(Continued on Page 14)

JULY CIGAR PRODUCTION DOWN

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of internal revenue collections for the month of July, 1932, and are issued by the Bureau. (Figures for July, 1932, are subject to revision until published in the annual report):

Products		*July 1931*	*July 1932*
Cigars (large):			
Class A	No.	351,843,340	294,572,930
Class B	No.	7,223,013	4,398,593
Class C	No.	111,970,598	58,270,112
Class D	No.	6,877,418	3,732,601
Class E	No.	986,480	266,031
Total		478,900,849	361,240,267
Cigars (small)	No.	24,867,613	18,409,600
Cigarettes (large)	No.	473,081	167,615
Cigarettes (small)	No.	10,699,528,523	9,534,022,443
Snuff, manufactured	lbs.	3,407,519	2,437,112
Tobacco, manuf'd	lbs.	27,253,731	24,296,142

NOTE: The above statement does not include tax paid products from Puerto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Puerto Rico for the month of July:

Products		*July 1931*	*July 1932*
Cigars (large):			
Class A	No.	10,771,710	8,439,000
Class B	No.	83,500	5,500
Class C	No.	286,314	139,500
Class E	No.	500	.....
Total		11,142,024	8,584,000
Cigars (small)	No.	.....	300,000
Cigarettes (large)	No.	.....	60,000
Cigarettes (small)	No.	1,020,000	400,000

Tax-paid products from the Philippine Islands for the month of July:

Products		*July 1931*	*July 1932*
Cigars (large):			
Class A	No.	17,462,935	12,596,080
Class B	No.	132,910	97,143
Class C	No.	38,356	14,776
Class D	No.	830	100
Class E	No.	2,516	7,700
Total		17,637,547	12,715,799
Cigarettes (small)	No.	345,710	196,990
Tobacco, manufact'd	lbs.	180	33

NOTE: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Comparative Statement of Internal Revenue Collections for the Month of July

Sources of Revenue	*1931*	*1932*
Cigars	$1,426,095.38	$976,512.09
Cigarettes	32,103,233.88	28,605,437.59
Snuff	613,353.43	438,680.12
Tobacco, chewing and smoking	4,905,962.52	4,373,873.67
Cigarette papers and tubes	170,325.93	102,483.53
Miscellaneous, relating to tobacco	.....	1,902.69

"Oh Yeah?" BUT SCIENCE SAYS
O. G. IS THE BEST CIGARETTE"

In 75 repeated tests made of four leading cigarette brands . . . measuring the heat content of each cigarette by the Calorimeter method . . . it was shown that OLD GOLD is from 112 to 156 B. T. U's. COOLER than the other brands. That's why O. Gs. are cooler and do not scratch the throat or taint the breath.

© P. Lorillard Co., Inc.
PURE TOBACCO · NO ARTIFICIAL FLAVORING

"BEST OF THE BEST"
OPTIMO CIGARS
Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

UNITED CLOSING UNPROFITABLE OUTLETS

Many branch stores of the United Cigar Stores Company have been recently closed, due to business conditions, and it is reported that they will continue to close those stores which are not operating at a profit.

Thirty stores are reported to have been closed in greater New York City, Newark and Paterson, N. J., and other stores also in other parts of the country. As the stores are still under lease by the United Company, they are being advertised for rent by that company.

RETAIL STORE PROBLEMS

(*Continued from page 12*)

gestion, types of customers, manner of approach, demonstration, and sales talk.

3. *Business arithmetic,* in which problems are taken directly from the business.
4. *Business English.*
5. *Health and hygiene.*—Proper home conditions, care of the skin, nails, teeth, feet, hands, and principles of correct eating and sleeping.
6. *Appearance.*—The effect of the general appearance, including cleanliness and the type and condition of dress.
7. *Memory.*—Value of memorizing the names of regular customers and the principles of developing memory.
8. *Voice, speech, and manner.*—Principles of correct usage, and development of native ability.
9. *Local geography.*—Correct manner of giving directions.
10. *Elementary economics and sociology.*—Problems, functions, and duties of the retailer in particular.
11. *General store policy.*—Statement of the store's attitude in regard to customers, returned merchandise, care of merchandise, mark up and mark down, attitude and knowledge of competitor's activities, and attitude toward employees.
12. *Store routine.*—Sales checks, handling of cash registers, signals, call systems, cash and bundle carriers, etc.
13. *Store organization.*—Relation of the various departments and the relation of the sales clerk to the floor manager and buyers.
14. *Special store problems.*—Specific requirements of various departments, special and seasonal situations, etc.

Specific Outlines

As previously stated, the outlines given are not designed to represent model courses but are submitted as examples of practical plans in actual use. They have been selected from considerable material submitted by retailers in large stores who vouch for their effectiveness in producing good results. Some of the following suggestions may be successfully adapted to the needs of the small store and specialty shop:

Elementary Salesmanship (Compulsory)

History of store:
- Growth to present organization.
- Principles upon which the organization is built. (Policy to customers and to store members.)

Cost of training.
- Selling cost of department.
- Selling cost of sales clerk.

Store's ideal.

Store's conduct (definite recognition of what constitutes real courtesy to shoppers and coworkers).

Telephone courtesy.

Store routine.

Advanced Salesmanship (Elective)

Conference 1:
- Studying the customer—No two customers are alike. The method of sale depends on the kind of customer. Methods of handling may be adapted to cue given by customer's attitude (customer's actions, expressions, dress, walk, remarks, etc.).
- Points in opening the sale—
  1. Securing the customer's attention by prompt and pleasant approach.
  2. Gaining confidence by brisk and business-like manner used in ascertaining exact needs of customer.
  3. Arousing interest by showing merchandise enthusiastically (featuring its selling points and showing ways in which it can be used).
  4. Creating desire without talking too much.
  5. Inducing customer to act. (Truthful, convincing statements may help an undecided shopper.)
- Closing the sale—
  - Ways of keeping the customer thinking of the advantage of owning the merchandise displayed.
  - Necessity of making friend for store and sales clerk by leaving pleasant thoughts in customer's mind. (Repeat customers result from pleasant associations as to merchandise, service given, and personality of salesman.)

Conference 2:
- Customers' similar traits—Certain instincts are a part of every customer, and a knowledge of human nature is a necessary part of good salesmanship.
  1. Self preservation: Study of customer reveals what he is fighting for (social esteem, money, education, etc.).
  2. Possession: People are reluctant to part with what is once in their possession (garments tried on, merchandise sent on approval).
  3. Vanity: People may express vanity in peculiarities of dress, manner, or speech. Methods of using the instinct of vanity (prompt approach, addressing, by name, paying close attention and showing a desire to please).
  4. Companionship. (Method of using instinctive desire to be attractive.)
  5. Parental (father and mother love): Recognition of this instinct often makes sales.
  6. Imitation: Style is based on the instinct of imitation. Methods of indirect appeal to this instinct.

Conference 3:
- Types of customers—How to vary selling methods to suit customers who are "just looking," timid and sensitive, in a hurry, fussy, undecided, buying for wife or husband, foreign, bargain hunters, etc.

Conference 4:
- Knowledge of merchandise—
  - How to create in the customer a desire to own the goods. A thorough knowledge of the merchandise is necessary in order to answer questions, meet objections, and appeal to the customer's need. Sources of information for merchandise knowledge (merchandise itself, experienced salesmen, books, magazines, etc.).
- Turnover—
  - What is turnover? Relation of stocks and general efficiency to the rate of turnover.
- Display of merchandise—
  - Principles of proper display.

(Continued on Page 18)

UNFAVORABLE CONDITIONS IN THE CUBAN TOBACCO TRADE

IT IS estimated by the National Commission for the Defense of the (Cuban) Tobacco Industry that the 1932 tobacco crop will be greatly reduced, states American Consul Harold B. Quarton in a report released by the Tobacco Division of the Department of Commerce. Production in the Vuelta Abajo zone will show a reduction of 55 per cent. as compared with the 1931 crop; in Semi-Vuelta, 78 per cent., and in Partido, 33 per cent. The totals for the zones mentioned *in tercios of approximately 100 pounds* are as follows:

	1931	1932
Vuelta Abajo	195,136	87,925
Semi-Vuelta	35,872	7,906
Partido	18,629	12,552
Total	249,637	108,383

Only sample bales of the new crop of Vuelta Abajo have been received in Habana, which, when tested, gave unfavorable results. In Remedios, while there is a certain proportion of very good tobacco, the crop in general is small and the quality only fair. The same applies to Vuelta.

Few purchases in 1932 of Vuelta Abajo or Remedios have been made. According to reports, a good quality of Remedios tobacco can be bought cheaply, both in matules and in farmers' bales. It is rather late to obtain large quantities of matules. The yield of clean classes is not large, which indicates an eventual shortage of first and seconds will occur if business improves.

The greatest activity in the leaf market is in Partido Rezagos and wrappers, which are in demand for the local cigar factories and for American tobacco manufacturers. The Partido crop, although small, is regarded as being fairly good in burn and colors. Only those growers who had resources at their command, however, have any quantity of suitable wrappings for sale. Four or five large tobacco houses in Habana, packers and dealers in Partido tobacco, advance money annually for fertilizer and to assist growers, and, when the tobacco is harvested, it is turned over to these houses to be packed. They either buy the tobacco in bundles before it is packed or take it for the joint account of packer and grower. The houses engaged in this business have had poor financial returns the last few years. Those growers who have had sufficient assistance have fairly good tobacco, but the farmer with no resources has been able to harvest little or no crop.

Since business in cigars is unfavorable, both in Cuba and in the United States, the demand is smaller than usual but supplies are limited due to the prolonged strike of cigar makers. Those manufacturers who require Rezagos and wrappers are buying through their local representatives.

Packers of Partido, aware of the depression, quoted very reasonable prices at the beginning of this year, and this has contributed to the easy disposal of their main stocks. The Seco, or best portion, usually taken by the Clear Habana manufacturers, is sold first. The Fino, or the portion that is undesirable for the local manufacturers and the Clear Habana manufacturers in the United States, is considered of small value, but is always the largest part in quantity of bales. It is the Fino which is generally left over each year. The Rezagos and Seco must be classified and sold at high price sbecause the market is becoming more and more unfavorable for Finos.

The United States demand for high grade wrappers is small. As fewer high grade cigars are being sold, the orders are mostly for inferior wrappers for use in cheroots and cheap cigars.

Exports of Cuban tobacco during the first six months of 1932 amounted in value to only $4,194,523, compared with $7,359,819 during a similar period of 1931, and $9,275,355 in 1930. Tobacco merchants estimate the *sales* to the *United States* for the full year 1932 will not exceed $8,400,000. The total exports of tobacco to all countries during the first semester of 1932, amounted to only $5,930,131 as compared with $13,225,014 during the first semester of 1931. The principal decrease was in cigars; only 3,390,184 were sold in the first six months of 1932, against 26,152,934 in the same period of 1931. The United States took approximately two-thirds of all Cuban exports, most of which were in the form of stemmed tobacco.

BRAINS GO BEGGING

THE Philadelphia Technical Service Committee are conducting without cost to anyone a clearing house for technical employment. Only men who are definitely known to be seeking employment and who fit the particular requirements are referred to the employer, their records first being submitted for consideration.

"Brains are going begging," an analysis of the 946 men whose applications are on record show the following professional classifications:

15	Architectural
88	Chemical
214	Civil
182	Electrical
48	Structural
10	Industrial
355	Mechanical
20	Metallurgical
14	Miscellaneous

These men have had experience in 115 varied occupations, in 200 diverse industries, and altogether include seventy different types of engineers.

The committee has the co-operation of twelve National Engineering Societies and is associated with the State Employment Commission of Pennsylvania. To avail oneself of the choice from this wide array of talent, all that is necessary is to write the P. T. S. C. care of the Engineers' Club of Philadelphia, 1317 Spruce Street, or 'phone Pennypacker 5234, and a representative will call.

All communications are confidential and without any obligation.

DEISEL-WEMMER-GILBERT EARNINGS

The Deisel-Wemmer-Gilbert Corporation reports for the quarter ended June 30 net profit of $73,542 after charges and Federal taxes, equivalent after dividend requirements on 7 per cent. preferred stock to 20 cents a share (par $10) on 216,785 shares of common stock. This compares with $70,469, or 19 cents a share on 216,410 shares, in the preceding quarter, and $171,310, or 59 cents a share on 238,095 shares in the June quarter of 1931.

For the six months ended June 30, 1932, net profit was $144,011, after charges and taxes, equal to 39 cents a share on 216,785 common shares, against $326,678, or $1.11 a share on 238,095 shares, in the first half of the previous year.

JULY 1 STOCKS OF LEAF UP

STOCKS of leaf tobacco in the United States owned by dealers and manufacturers amounted to 2,238,720,000 pounds on July 1, 1932 compared with 1,914,719,000 pounds on July 1, 1931. This represents an increase of 324,001,000 pounds over the stocks of a year ago. From April 1, 1932 to July 1, 1932 total stocks decreased 135,041,000 pounds, while during the same period of 1931 the decrease amounted to 236,059,000 pounds.

Stocks of flue-cured tobacco on hand July 1, 1932 were 745,207,000 pounds, compared with 676,752,000 pounds on July 1, 1931. This is an increase of 68,455,000 pounds. During the second quarter of 1932 flue-cured stocks decreased only 100,435,000 pounds, whereas the decrease during the same period of 1931 amounted to 154,595,000 pounds. Stocks of Types 11, 12 and 13 were higher than they were a year ago and stocks of Type 14 were slightly lower. The detailed report on flue-cured tobacco shows about the same proportion of tobacco in the various groups as on April 1, 1932.

Stocks of fire-cured tobacco are reported as 218,403,000 pounds on July 1, 1932, about seventeen million pounds higher than on April 1, 1932 and about twenty-five million pounds higher than stocks a year ago July 1. Virginia fire-cured, Type 21, reported as 36,243,000 pounds, shows an increase of about three million pounds over stocks of July 1, 1931. Kentucky and Tennessee fire-cured, Types 22 and 23 combined, show total stocks on July 1, 1932 of 173,955,000 pounds compared with 155,546,000 pounds on July 1, 1931. Stocks of Henderson stemming, Type 24, amounted to 8,205,000 pounds on July 1, 1932, compared with 4,212,000 pounds a year ago.

Burley stocks were about 151 million pounds higher on July 1 than they were a year ago. The July 1, 1932 report shows 651,166,000 pounds on hand compared with 500,042,000 pounds on hand July 1, 1931. The decrease in Burley stocks during the second quarter of 1932 was about fifty-one million pounds compared with a decrease of sixty-eight million pounds in 1931 during the same period. The detailed report by groups of grades shows the bulk of the Burley stocks in the B, C and X groups with more than half of the total reported in the B group.

Maryland tobacco stocks were nearly double those of a year ago. The report shows stocks of this type to be 21,677,000 pounds. On July 1, 1931 they amounted to only 11,756,000 pounds. A correction in the April 1, 1932 report shows stocks of this type as 19,559,000 pounds on that date. The detailed report shows that the increase in stocks between April 1 and July 1 of this year is principally in the X group.

One-sucker stocks on July 1, 1932 amounted to 37,495,000 pounds or about three and one-half million pounds less than on July 1, 1931. Green River stocks reported as 36,952,000 pounds on July 1 were nearly eleven million pounds higher than stocks of a year ago. Virginia sun-cured stocks were reported as 4,207,000 on July 1, 1932. Miscellaneous domestic stocks were reported as 2,551,000 pounds and foreign grown cigarette tobacco stocks (other than cigar leaf, Type 90) were reported as 80,597,000 pounds on July 1, 1932.

July 1 Cigar Leaf Tobacco Stocks

Stocks of American-grown cigar filler types, including Porto Rican, amounted to 201,869,000 pounds on July 1, 1932 compared with 167,936,000 pounds on July 1, 1931, an increase of 33,933,000 pounds over the holdings of the previous year. All filler types show an increase in stocks except Gebhardt and Porto Rican; Gebhardt shows about a million-pound decrease and Porto Rican a decrease of about 1,500,000 pounds.

The cigar binder types show an increase in stocks on July 1 of about twenty-two and one-half million pounds over the stocks of a year ago July 1. The total stocks of binder types were reported as 210,423,000 pounds on July 1, 1932 and 187,841,000 pounds on July 1, 1931. Binder type stocks increased during the second quarter of 1932 about three million pounds, the same as the increase during the second quarter of 1931. The detailed report shows that of the total stocks reported 4,360,000 pounds are of wrapper quality, 79,738,000 pounds are binders, 9,675,000 pounds are fillers, and 116,433,000 pounds are stemming or X group tobacco.

Shade-grown wrapper stocks of Connecticut, Georgia and Florida, Types 61 and 62, were slightly lower on July 1, 1932 than on July 1, 1931. Total shade stocks were reported as 14,336,000 pounds. Of this total 8,516,000 pounds were reported in the A group as wrappers, 5,179,000 pounds in the B group as binders and the balance in the C, X and S groups. Foreign cigar leaf stocks reported as 13,837,000 pounds were about a million pounds lower than on July 1, 1931.

SOUTH CAROLINA TOBACCO PRICES UP

LAST WEEK tobacco prices shot up fifty cents, to $6 per hundred pounds on the South Carolina and North Carolina border markets.

At Fairmont, N. C., the market opened 50 cents to $1 stronger, with sales estimated at 400,000 pounds at an average of approximately $12.25 per hundred, as compared with $8 and $9 the first day or so of the season.

Lumerton, N. C., reported estimated sales of $325,000, with the price averaging from $12 to $13 a hundred.

Mullins, S. C., reported the heaviest sales since the market opened. Prices on the better grades were up $4 to $6 a hundred over the previous days, with all grades sharing the general advance.

A larger percentage of second curings were offered. The amount of sales was not estimated as business proceeded briskly.

An increase of 20 to 30 per cent. in prices for all grades was reported at Dillon, S. C., where the day's sales were estimated at approximately 65,000 pounds at prices ranging from $11 to $12 a hundred.

News from Congress

(Continued from page 8)

anticipated among those nations which now are doing everything in their power to keep imports at a minimum while, at the same time, seeking to build up an export trade.

Tax legislation is not to be taken up by the Republicans until it has developed how the Revenue Act of 1932 works out. While it is admitted there are provisions in that legislation which could well be amended, Republican leaders are reluctant to bring up the question and open the way for a recurrence of the bitter controversy which was waged over taxes last session.

DRUG CHAINS OPERATING COSTS 27%

ACCORDING to an analysis of drug store chains in the United States, by the Bureau of the Census, from 1930 census statistics, chains of drug stores have an average turnover of five times a year and their average operating cost is more than $27 for each $100 of sales.

The Bureau's figures show that 249 chains, holding 3513 individual stores, were in operation during the last census count, and that these chains handled a volume of sales amounting to $312,301,000. They employed more than 31,800 full-time workers and in excess of 1500 others on a part-time basis, the total pay roll for the year examined having been $41,980,000.

Of the total number of chains, eighty companies operated stores without soda fountain and lunch departments. The analysis explained that the statistics disclosed wide variation in business turnover between stores containing fountains and lunch bars and those operating strictly in drugs and sundries.

The chains combined spent $44,356,000 in operating costs other than for payroll which made their total operating costs aggregate $86,337,000. The bulk of the expense aside from payrolls was traced to rental charges, and the Bureau found the average rent had cost $7.43 per $100 of sales, an average reached on computation of rental payments for 3451 stores whose premises were wholly leased.

About 77 per cent. of all chain drug stores are located in cities of more than 100,000 population, the report shows. Of the remaining 23 per cent., 14 per cent. are in cities between 100,000 and 30,000, 6 per cent. were in cities between 30,000 and 10,000 and only 3 per cent. were in cities having less than 10,000.

More than 60 per cent. of the chain units were found to be in the areas surrounding Chicago, New York, and the Pacific Coast cities, the numbers ranging in that order of the cities. The remainder was found, the Board announced, to be scattered "quite uniformly" throughout the country.

Four chains do an annual volume of sales in excess of $9,700,000 each, their combined business amounting to more than that of all the other 245 chains combined. The seven largest chains do nearly two-thirds of the total business of all chains operating stores with fountains.

Although the great majority of chains are local in territory, and operate about four-sevenths of all the stores, their combined sales are less than those of the fourteen sectional and national chains. These fourteen chains, with 1560 stores, do a combined business of $180,283,809, or about 58 per cent. of the total chain store business, while 235 local chains, with 1953 stores, show aggregate sales of $132,017,912.

Of the chains operating stores without fountains, local chains greatly outnumber the sectional and national chains in number of stores and in sales. A local chain is any combination of four or more drug stores located in and around one city, owned and operated centrally. A single drug store is classified as a single store independent; two or three drug stores operated by the same proprietor are classified as two-store or three-store independents.

A sectional chain is a chain operating drug stores in several cities in the same section or geographic division of the country, and a national chain operates in more than one section. When the census was taken there were too few national chains to permit of their being shown separately in this report, although since then some of the sectional chains have expanded into new territory and have become national chains.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

TOBACCO INDUSTRY SHOWS GAINS IN JULY MAGAZINE ADVERTISING

EXPENDITURES for advertising by the tobacco industry in national magazines and national farm magazines during July amounted to $453,177, an increase of three per cent. over the figure of $439,807 for July a year ago. National magazines were ahead 1.9 per cent. with $417,527 and farm magazines were ahead 17.8 per cent. with $35,650. Of the total in national magazines, $320,033 was spent for cigarettes, $20,580 was spent for cigars, and $76,914 was spent for manufactured tobacco and smokers' supplies, according to figures compiled from National Advertising Records by the Business Survey Department of Dorrance, Sullivan & Company, New York advertising agents.

For the first seven months of the year the cumulative total in national magazines amounted to $3,615,475, an increase of 8.5 per cent. over $3,331,898 expended during the corresponding period of 1931. The farm magazine total for this period was $266,150, ahead 20 per cent., and the total for both media was $3,881,625, a gain of 9.2 per cent.

Radio advertising over national networks declined slightly in June, but the total for the first half year was still far ahead of last year. The June expenditure was $413,859, a decline of 13.1 per cent. from June, 1931, but the six-month total was $4,010,464, a gain of 78.4 per cent. over $2,247,127 spent last year.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

CRIMCO RED BAR TWENTIES:—46,070. For all tobacco products. August 12, 1932. Crimson Coach, Incorporated, Toledo, Ohio.

JACK HIGH:—46,074. For smoking and chewing tobacco. June 13, 1930. Fisher & Koser Tobacco Co., Hanover, Pa.

HIGH JACK:—46,075. For smoking and chewing tobacco. June 27, 1932. Fisher & Koser Tobacco Co., Hanover, Pa.

THALLES AND TFELEEN:—46,076. For cigars, cigarettes and tobacco. August 20, 1932. Charles Krupitzky, New York, N. Y.

TRANSFERS

THE WHITMAN:—14,179 (Tobacco Leaf). For cigars. Registered October 19, 1897, by Philip H. Cohen, Whitman, Mass. Transferred by Harry A. Cohen, Whitman, Mass., Executor of Estate of Philip H. Cohen, to Arthur J. Claessens, Whitman, Mass., August 15, 1932.

WHITMAN SPECIAL:—14,010 (Tobacco Leaf). For cigars. Registered September 15, 1897, by P. H. Cohen, Whitman, Mass. Transferred by Harry A. Cohen, Whitman, Mass., Executor of Estate of Philip H. Cohen, to Arthur J. Claessens, Whitman, Mass., August 15, 1932.

LONDON COURT:—16,773 (Tobacco World). For cigars, cigarettes, cheroots, chewing and smoking tobacco, and in Tobacco, for cigars. Registered on December 15, 1908, and January 19, 1909, respectivcly, by the American Litho. Co., New York, N. Y. Through mesne transfers acquired by H. L. Haines & Co., Red Lion, Pa., and re-transferred to E. B. Strickler, Yorkana, Pa., August 3, 1932.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

Conference 5:

The sales talk—

Demonstration sales, including points showing how to satisfy difficult customers, how to increase sales by "suggestive" or "creative" selling, how to draw the customer's attention to advertised merchandise, what phrases are displeasing, and how to meet impatience with courtesy.

The Questionnaire

The following questionnaire was furnished by a retailer who stated that it was being used to advantage in his store, which was one of moderate size. This questionnaire was issued to clerks after six months of employment.

1. When a customer gives you an excuse for not buying, what should your attitude be? Is it ever wise to show your disappointment? How does the customer feel when this is done?

2. What responses would you make, if any, to the following excuses for not buying?

(*a*) I am in too much of a hurry to decide today.
(*b*) I want to look elsewhere first.
(*c*) I can get it cheaper at A's.
(*d*) I will ask a friend to come in to look at it.
(*e*) It is more than I expected to pay.
(*f*) I haven't enough money with me to get it today.
(*g*) I will wait until the goods are marked down.
(*h*) I want my husband to see it.
(*i*) I won't decide today.
(*j*) I am looking up the matter for a friend.
(*k*) I am too tired to know what I want.
(*l*) I can't get it until I know whether it matches my goods.

(To be continued)

MENGEL COMPANY REPORTS

The Mengel Company, Louisville, Ky., manufacturer of cigar boxes and other products, reports for the June quarter net loss of $183,711 after taxes and charges, as compared with net loss of $183,159 in the preceding quarter and net profit of $19,622, or fifty-nine cents a share on the 33,603 shares of 7 per cent. preferred stock in the June quarter of the previous year.

For the six months to June 30, 1932, net loss was $366,770 against net profit of $5396 for the first six months of 1931.

AMERICAN CIGAR DIVIDEND

The directors of the American Cigar Company have declared the regular quarterly dividend of $2 on the common stock of the company, payable September 15 to stockholders of record September 3, and a quarterly dividend of $1.50 on the preferred stock, payable October 1 to stockholders of record September 20.

CREMOS NOW 3 FOR 10

(*Continued from Page 3*)

fore every merchant must give his customers the utmost value for their money, and there is no doubt but that the new price which will place Certified "Cremo" cigars before the customer at five cents straight—three for ten cents makes Certified "Cremo" the outstanding value in the cigar world today.

In commenting on the change in price of Certified "Cremo", George W. Hill, president of the American Tobacco Company, stated that this is the step he has been working for for a long, long time.

The American Cigar Company, as you know, has been completely reorganized and has leased its brands directly to The American Tobacco Company. As Mr. Hill anticipated, with these brands under direct supervision of the American Tobacco Company, he was able to reduce overhead costs and maintain quality in a way that is utterly impossible, in his opinion, in a smaller organization.

This step is very gratifying to Mr. Hill as he believes it offers to the consuming public the greatest value ever offered in the cigar business—a value that he feels cannot be duplicated. The result he expects is an increase in the sale of "Cremo" cigars beyond anything the cigar business has ever seen.

Mr. Hill also advises that from his personal contact with the trade, this forward step is received with strong approval. Every modern merchant realizes that the present tendency in merchandising is towards greater value for the consumer with increasing volume, and consequently, greater profit but lower distributing costs. This fact he finds more generally recognized today than even he had anticipated. Indeed, from many quarters, he has been told that this step on "Cremo" may even result in an increase in total cigar consumption.

SEPTEMBER 15, 1932

LIBRARY RECEIVED SEP 15 U.S. Department of Agriculture

VOLUME 52 No. 18

THE TOBACCO WORLD

"Oh Yeah? BUT SCIENCE SAYS O. G. IS THE BEST CIGARETTE"

In 73 repeated tests made of four leading cigarette brands . . . measuring the heat content of each cigarette by the Calorimeter method . . . it was shown that OLD GOLD is from 112 to 156 B. T. U's. COOLER than the other brands. That's why O. Gs. are cooler and do not scratch the throat or taint the breath.

© P. Lorillard Co., Inc.

PURE TOBACCO · NO ARTIFICIAL FLAVORING

automatic machines offer A NEW RETAIL OUTLET for TOBACCO PRODUCTS

Get all the facts now on automatic merchandizing.

Write for a sample copy

THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

BUSINESS IS LOOKING UP!

Follow the Trend and Increase Your Sales With—

★ ★

WOODEN BOXES

★ ★

Let your sales convince you that more customers select cigars from wooden boxes than from any other form of container.

In Wooden Boxes the whole length, shape and color of the cigar is open for easy inspection and selection. Furthermore the cigar flavor and aroma is ripened to its fullest fragrance in these containers.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 — THE TOBACCO WORLD — Number 18

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, SEPTEMBER 15, 1932 — Foreign $3.50

GEORGE LEX RESIGNS FROM ZIFFERBLATT COMPANY

GEORGE M. LEX, well known to the cigar manufacturing industry, has announced that he has resigned as secretary of George Zifferblatt & Company, and severed his connection with the firm effective September 15th.

Mr. Lex came into prominence in the industry several years ago at which time he was associated with the 44 Cigar Company, and held the position of treasurer of the company at the time it was merged with the Consolidated Cigar Corporation. Sometime later he became associated with the lithographic firm of William Steiner Sons & Company, and later became associated with the Congress Cigar Company as general office manager, and remained with that company until the offices in Philadelphia were moved to Newark and consolidated with the Porto Rican American Tobacco Company.

His wide experience in the cigar industry has earned a reputation for him, of being a man of exceptional executive ability, honesty and square dealing.

Mr. Lex has not announced his future plans, but after enjoying a well-earned rest and vacation, it is anticipated that he will re-enter the industry, since he is not the type of executive who could be content to retire at such an early age.

He will be glad to hear from any of his friends who desire to keep in touch with him at his home in the Chatham Hotel, Twentieth and Walnut Streets, Philadelphia.

PHILIP MORRIS CONSOLIDATED DIVIDEND

Directors of Philip Morris Consolidated, Inc., holding company for Philip Morris & Co., Ltd., and Continental Tobacco Company, today (Thursday) declared the regular quarterly dividend of 1¾ per cent. (43¾ cents a share) due at this time on the Class A stock of the company; and a further dividend of like amount to apply against accumulations on this issue, both payable October 1, 1932, to stockholders of record September 20.

This action marks the first step in clearing up the accumulations on the Class A stock prior to October 1, 1931, when the initial dividend was paid.

C. A. BOND RETURNS

Charles A. Bond, tobacco agent of the Philippine Government, who maintains headquarters at 15 William Street, New York City, has recently returned from a swing through western territory, where he was warmly welcomed and assured that the market for those good Manila cigars was being well maintained and prospects are exceedingly bright for increased sales this fall.

UNITED REALTY PROTECTIVE GROUP FORMED

A PROTECTIVE Committee has been organized to represent holders of Cigar Stores Realty Holdings, Inc., twenty year 5½ per cent. sinking fund debentures, Series A, it was announced last week. Cigar Stores Realty Holdings, Inc., is a subsidiary of United Cigar Stores of America, controlled by the Gold Dust Corporation. Both United Cigar Stores and Cigar Stores Realty Holdings filed voluntary petitions in bankruptcy in the United States District Court on August 29.

The committee for the debenture holders consists of Louis L. Strauss, of Kuhn, Loeb & Co.; Burnett Walter, of Guaranty Company of New York; R. J. Whitfield, of Chase Securities Corporation, and Maurice Wertheim, of Wertheim & Co. Davis, Polk, Wardwell, Gardiner & Reed are to act as counsel for the committee, and Edgar J. Crossman, 15 Broad Street, as secretary. Guaranty Trust Company is to be the depositary.

The committee has asked for immediate deposit of the debentures, in order that concerted action may be taken through united representation on behalf of and in the interest of the debenture holders, it was said.

JERSEY RECEIVER ASKED FOR UNITED

The appointment of ancillary receivers for the United Cigar Stores Company, which went into voluntary bankruptcy on August 29, was asked in a petition filed in the Federal Court at Trenton, N. J., on August 30. The Deisel-Wemmer-Gilbert Company, of Detroit, a creditor, declared that an ancillary receiver was necessary to preserve the bankrupt's estate in New Jersey. The company has stores in Atlantic City, Camden, Elizabeth, Hoboken, Jersey City, Newark, Paterson, Rutherford and Union City. Judge Guy Fake held the petition for further consideration.

Space in the building at 136 North Third Street has been leased by a real estate agent here to Jose Carbal, Ja., & Son, for tobacco manufacturing purposes.

GARRETT SNUFF ANNIVERSARY

The American Snuff Company, Memphis, Tenn., is celebrating the 150th anniversary of their "Garrett Snuff" brand, which was placed on the market in 1782 and has been a standard of quality in the snuff trade since that time.

Directors of the company have declared a quarterly dividend of 75 cents a share payable October 1st to stockholders of record September 14th. A regular quarterly dividend of $1.50 was also declared on the preferred stock of the company, payable October 1st to stockholders of record September 14th.

SPECIAL OFFER ON "OLD GOLD" 20S

THE P. LORILLARD COMPANY, under date of August 31st, advised jobbers throughout the country of a special offer of ten cents a thousand on "Old Gold" 20s sold during the month of September.

The deal has been enthusiastically received throughout the trade and a substantial increase in "Old Gold" sales has resulted.

The offer reads as follows:

For the month of September, 1932, we will allow you at the rate of ten cents a thousand on each thousand "Old Gold" cigarettes 20s sold by you to the retail dealer.

Under this offer you are to report to us not later than October 5, 1932, on the blank enclosed, your total sales of "Old Gold" cigarettes 20s to the retail trade. We will send checks in payment of the allowance due, provided our shipments to you during the month of September, 1932, equal the quantity of "Old Gold" cigarettes 20s you report having sold to the retail trade in that month.

This offer applies on sales to bona fide retail dealers only, and does not apply on sales or deliveries to the branch houses, retail departments or retail stores of our direct customers.

All orders are subject to acceptance by our New York Office, and if accepted will be filled at prices ruling on day of shipment.

No representative or employee of this company has authority to change any circular, letter or price list issued by this company.

RECEIVER IN PENNSYLVANIA FOR UNITED

As a consequence of the voluntary bankruptcy of the United Cigar Stores of America in New York recently, Judge Welsh, in Federal District Court here last week appointed two ancillary receivers to take charge of the company's 100 stores in this district.

He named Ruby R. Vale, lawyer, and William White, former Deputy Banking Commissioner, as the receivers and directed them to file a joint bond of $100,000.

Judge Welsh made the appointment after listening to argument between counsel for Pennsylvania creditors and an attorney for the Irving Trust Company, of New York, the domiciliary receiver, which opposed appointment of ancillary receivership on the ground of expense.

WALGREEN COMPANY SALES

Walgreen Company reports for August sales of $3,663,330, against $4,626,601 in August, 1931. For the eight months ended August 31, 1932, the sales totaled $30,950,803, as compared with $36,710,137 in the first eight months of last year.

L. H. HARTMAN OPENS PHILADELPHIA OFFICE

The L. H. Hartman Company, Incorporated, recently organized advertising agency of New York City, has opened a Philadelphia office in the Packard Building. Harry C. Grubbs, formerly connected with the Victor Talking Machine Company and the R. C. A. Victor Company, is in charge.

Dorothy W. Gershon, cigar stand manager, 101 West 37th Street, New York, filed a voluntary petition in bankruptcy in that city last week, listing liabilities of $6296 and assets of $150.

PHIL M. PHULOFAX RETURNS OPTIMISTIC

SEPTEMBER and home again," writes Phil M. Phulofax, D. B. I., from the Bayuk offices in Philadelphia.

"I had expected to make a few more stops before returning to the home plate, but the best made plans of mice and men, even cigar experts, sometimes go astray. There's so much to be done right here and I have accumulated enough ammunition for some sure fire selling aids to pass along during the winter. The desk is piled high and I'm full of wim, wigor and witality, ready to dig in.

"Right here and now I want to say that this was the most inspiring trip I've ever taken, that it made me feel happy and hearty about life in general and the cigar business in particular. Of course there are always some fellows who lie down on the job, no matter what it is. They were born reclining and they die that way; but there's also the great legion of men who have been coming through with grit and grins. They are the boys who are smart enough to find opportunity by hunting for it, who realize that summer, which the sluggards dread like one long knock-out on the business jaw, has its own selling possibilities.

"They realize that a business is a many-sided affair and that they must keep the old eye peeled around every corner to make it pay its overhead and put cash into their pockets. Tact for your customers; smart clerks who treat your money and your patronage as their own; little details of shop furnishings and functionings that make for a neat, up-to-date appearance; and an arresting and frequently changing window display—these are some of the points the successful retailers have been stressing.

"And now how do we stand?

"After looking around towns big and little and talking to folks in cities and villages, I begin to feel that we are very near the brow of the hill, if we have not actually reached it. I make no claim to prophetic powers and I never took a course in crystal gazing, but it looks like a smooth, level stretch of road ahead.

"Even if you haven't been devouring the financial pages, you know that there's something in the air besides the brisk coolness of approaching autumn. It is optimism.

"People are returning to town ready to buy, to stock up with a fresh supply of everything including cigars.

"People are feeling more confident, brisk and businesslike. It's contagious.

"People are going to buy for themselves, for gifts and, most of all, because they are *sold*. Above all, it's the selling effort that counts.

"Here is a true story. A short time ago, a large department store was interested and slightly distressed to receive a letter from a customer complaining of the lack of interest of salespeople. The store tried an experiment. The management sent letters enclosing $10 to five old customers, asking each of them to come to the store and buy an article worth one dollar and spend the rest of the $10 in the store *if further purchases were suggested by the clerk*. The shoppers spent $5 for their original purchases. Six dollars additional was the total spent by the five women upon the suggestion of salespeople. Of the fifty dollars $39 was returned to the management.

"There is food for thought. Thirty-nine dollars out of a possible $50 remained unspent because clerks didn't make the effort to sell—and that in a difficult year. Let's think it over in relation to our own business. And here's to a smashing winter!"

Switch to Camels

Never parched or toasted

A BLEND of choice Turkish and mild, sun-ripened Domestic tobaccos—Camels are never parched or toasted. Made fresh and kept fresh in the Camel Humidor Pack, Camels are mild and cool-burning. If you haven't smoked a fresh cigarette lately, switch to Camels for just one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

© 1932, R. J. Reynolds Tobacco Company

CAMELS
***Made* FRESH—*Kept* FRESH**

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

PHILADELPHIA.

"CORONA" SHIPMENTS EAGERLY AWAITED

YAHN & McDONNELL, local distributors for the famous "Corona" brand, and other Henry Clay & Bock and Company brands, are anxiously awaiting first shipments of the "Corona" brand, which is now being manufactured at Trenton, N. J. They have a large volume of retail orders on hand and customers are constantly inquiring for shipment. The recently announced reduction in price on this world famous brand has stirred a great deal of interest in the trade and among consumers and a ready sale of the brand is indicated. Shipments are expected to arrive within a few days.

FRANK VALENTINO SHOT IN HOLD-UP

Frank P. Valentino, sixty-one, of 1212 North Eleventh Street, was shot in the neck on Monday night by one of three negro bandits in an attempt to rob Valentino's cigar store, adjoining his home.

After asking for cigars the "customers" drew pistols and one of them started behind the counter toward a cash drawer. Valentino raised a box of cigars to his face as a shield, at which the bandit fired. The bullet passed through the box, grazed Valentino's jaw and lodged in his neck. The bullet was removed at St. Luke's Hospital. The bandits were chased north on Eleventh Street by pedestrians but escaped.

CIGAR DEALER SHOT BY CRAZED MAN

Last Thursday night, Frank Crandall, cigar dealer, of 261 South Ninth Street, was shot by a crazed negro at Ninth and Market Streets, and died on Friday morning at the Jefferson Hospital.

The negro opened fire without warning and seriously wounded another bystander and a traffic policeman.

Just as the negro was about to be captured, he turned the gun on himself and died instantly. He was tentatively identified as Daniel Troy Davis, of Washington, D. C.

CONGRESS CIGAR DIVIDEND

The Congress Cigar Company has declared a regular quarterly dividend of 25 cents a s hare on the common stock of the company, payable September 30th to stockholders of record on September 14th.

FRANK N. WINSLOW PASSES

FRANK N. WINSLOW, well-known to cigar dealers throughout Eastern Pennsylvania, passed away at his home in Glenside, Pa., on September 5th, following a prolonged illness.

Mr. Winslow formerly resided in Germantown, and was at one time associated with the P. Lorillard Company and later with Bayuk Cigars, Incorporated. He was known as a gentleman of sterling qualities and was extremely well liked by all who knew him.

Funeral services were held on Friday afternoon, September 9th, from the Oliver H. Bair Building, 1820 Chestnut Street. Interment was in Woodlands Cemetery. He was fifty-seven years old.

Trade Notes

Mr. Osborn, of the "Por Laranaga" factory in Havana, was in town last week visiting the trade.

Clarence Thompson, manager of the Hotel Bellevue-Stratford cigar stand, has recently returned from a short vacation spent in touring the South.

John L. McGuerty, United States representative for the "Romeo y Juliet" factory in Havana, was in town last week calling on the retail and jobbing trade and left with some nice orders for his brand.

Mr. Lex Ehrman, of Ehrman Brothers, Horn & Company, San Francisco distributors of Bayuk brands for that territory, was a visitor at Bayuk headquarters last week, on a trip through the East.

Mr. Joseph Wagner has returned to headquarters (John Wagner & Sons), after a short vacation spent at Hot Springs, in excellent health, having fully recovered from a recent severe cold.

Steve Hertz, of the D. Emil Klein Company, was a visitor at Yahn & McDonnell headquarters last week. Yahn & McDonnell are distributors for the "Haddon Hall" brand in this section and they are meeting with a ready call.

"Nature in the Raw is seldom MILD"
THE KING OF BEASTS
"Nature in the Raw"—as portrayed by the great animal painter, Paul Bransom . . . inspired by the brute force and savage cunning which has made the lion ruler of the African jungle.

—and raw tobaccos have no place in cigarettes

Copr., 1932, The American Tobacco Co.

They are *not* present in Luckies . . . the *mildest* cigarette you ever smoked

WE buy the finest, the very finest tobaccos in all the world—but that does not explain why folks everywhere regard Lucky Strike as the mildest cigarette. The fact is, we never overlook the truth that "Nature in the Raw is Seldom Mild"—so these fine tobaccos, after proper aging and mellowing, are then given the benefit of that Lucky Strike purifying process, described by the words—"It's toasted". That's why folks in every city, town and hamlet say that Luckies are such mild cigarettes.

"It's toasted"

That package of mild Luckies

"If a man write a better book, preach a better sermon, or make a better mouse-trap than his neighbor, tho he build his house in the woods, the world will make a beaten path to his door."—RALPH WALDO EMERSON.

Does not this explain the world-wide acceptance and approval of Lucky Strike?

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

EVENTUAL adoption of the general manufacturers' sales tax as a means of solving the Government's revenue problem is predicted by Congressional leaders as a result of the large volume of complaints which are being received in Washington charging that the rates in the 1932 law are "prohibitive."

Such a change in the law would bring the tobacco industry into the tax picture, unless specifically exempted as it was in the general sales tax provision considered by Congress during enactment of the present law.

The next session of Congress, it is believed by Senator Reed Smoot (Rep.) of Utah, chairman of the Finance Committee and an advocate of the sales tax, in the light of general business conditions as they then probably will exist will find it necessary to re-examine the law with a view to removing inequities.

The movement looking toward revision of tax rates came on the heels of President Hoover's speech of acceptance, in which he pointed out that where rates have proved excessive and are sapping the life of industries they must be revised.

"There are inequalities in the new law passed at the last session of Congress and these inequalities must, in my opinion, be corrected," Senator Smoot declared. "Results of the new rates will be apparent by fall and I believe they will show the necessity of some changes in the law.

"Business men in various sections of the country have written protesting some of the new rates, which they assert are excessive and threaten their ruin. Personally, I think that the bottom of the business depression has been reached and that conditions are getting better everywhere in the country. I believe these conditions will continue to improve, and I hope it will be a gradual upward movement instead of a movement too speedy for safety.

"We have consumed most of our surplus in various articles and there is justification for manufacturers to resume operations if they are to meet the demand for supplies. The end of the business of operating on a hand-to-mouth basis is, I hope, in sight. A great many men have been put back to work and I am satisfied that unemployment will steadily decrease."

Reverting to the taxation problem, however, the Senator expressed the opinion that until business has substantially improved there can be little hope of a downward revision of Federal taxes. He pointed out that the levies in the new law were based on better business than is now prevailing. Because of this fact, he said, the correcting of inequities in the law does not mean a general revision downward.

Declaring that the "next six months will be momentous in the history of the United States," Secretary of Commerce Roy D. Chapin, in his first public utterance since entering the President's Cabinet, on August 22 envisaged mass production, with its economies and high values for the consumer's dollar, as the road back to prosperity.

Reviewing the progress of the depression, Secretary Chapin declared himself "astonished" at what the Government has already undertaken in the fight against depression and asserted that but for the repressive influences of foreign events the country by now would have been further on the road to recovery.

The "defensive" measures with which the United States met the depression now give indications of turning into an offensive for the recapture of prosperity, he said. "I think we have all felt a distinct change in spirit within recent weeks," he asserted. "There is no doubt that a new and aggressive mood is gripping the country, more typical of American buoyancy and fighting spirit."

Part of the economic struggle, the Secretary declared, "is to solve the problem of adding to consumption. Underconsumption is our greatest threat," he commented. "Only by greater consumption can our factories again become busy and industrial employment be made regular.

"In the last analysis the purpose of the constructive moves by this Government is to revive employment. As we progress through this cycle, new employment creates purchasing power which in turn means more employment.

"It is obvious that in times of falling prices and decreased purchasing power, one method of increasing the consumption of goods is by giving the buyer more for his money than before. Never has industry sought so hard to give unusual value for its products as today."

A decline of more than 10 per cent. in tobacco tax collections during the fiscal year 1932, ended June 30, last, as compared with the preceding fiscal year, is shown by the Internal Revenue Bureau in its annual compilation of collection statistics just made public.

Total collections from tobacco were $398,578,618 against $444,276,502 in 1931, a drop of $45,697,884. More than $41,000,000 of this loss was in the taxes collected on cigarettes, which amounted to $317,533,080 against $358,915,187.

Receipts from cigars declined $3,817,787, from $18,025,467 in 1931 to $14,207,679 in 1932, while taxes

(Continued on page 15)

"I *believe you love that old pipe better than you do me!*"

Men smoke a pipe because it's kind of soothing..quieting. If the tobacco is made for pipes, if it's cut to burn cool, and if it never gums the pipe, that's when men enjoy it. That's why Granger is America's pipe tobacco.

Handy pocket pouch of heavy foil. Keeps your tobacco in better condition and makes the price lower . . . 10c

YOU CAN DEPEND ON A LIGGETT & MYERS PRODUCT

Trade Notes

Zolla Brothers, distributors of Bayuk cigars in Chicago territory, are maintaining their stride with the aid of J. A. Brown, Bayuk territorial manager, on Bayuk "It's Ripe Tobacco" cigars.

F. J. Horning, Bayuk salesman, recently assisted the Ohio Valley Wholesale Company, Portsmouth, Ohio, in a drive for increased distribution and sales on Bayuk brands, with good results.

George Stocking, of Arango y Arango, Tampa manufacturers of the "Don Sebastian" clear Havana line, was a visitor in town last week, and reported a highly satisfactory call on his brand in this territory.

The Huser Cigar Company, Huntingdon, Ind., have been receiving the assistance of C. L. McClure, Bayuk salesman, who recently did some special promotional work on Bayuk lines in that territory.

Harry Tint, who operates the high-class cigar stand in the Burlington Arcade and the Pennsylvania Building, has returned from a vacation spent at Atlantic City.

Roy Barkman, territorial manager for Bayuk Cigars, Incorporated, has just finished some productive promotional work in the Sturgis, Mich., territory on Bayuk brands, which are distributed there by the George C. Runyan Tobacco Company.

John Wagner & Sons report that the recently introduced new sizes of their "Wagner" brand are meeting with a splendid demand and they have recently been forced to wire for additional shipments to fill their orders.

Mr. Carlin, representing Simpson, Studwell & Swick, manufacturers of the "Chuckers" cigarette, is doing a splendid job on that high quality brand in this territory, and they are enjoying a splendid call among the high-grade stands.

Mr. Laupheimer, of the In-B-Tween Cigar Company, Baltimore, was in town last week visiting the trade and showing their new five-cent cigar. This is a real cigar and is meeting with a favorable reception from the trade and consumer.

Out-of-town salesmen calling on Yahn & McDonnell last week included such well-known "gentlemen of the road" as J. B. Annis, of Gradiaz Annis & Company, Tampa; Abe Caro, of A. Santaella & Company, Tampa; Fred Suss, of S. H. Furgatch y Ca., New York; and Mannie Perez, of Marcelino Perez & Company, Tampa.

The "Girard" Banker size, formerly a tremendously popular brand of A. Roig & Langsdorf, and later acquired by E. Kleiner & Company, and now the property of Webster Eisenlohr, Incorporated, has been reduced to retail at five cents and is being welcomed by old friends of the brand.

N. A. T. D. BOARD MEETING

A MEETING of the officers and board of directors of the N. A. T. D. was held on Saturday, August 27th, at the Hotel New Yorker, New York City. Due to the number of very important matters that had to be discussed, the meeting was held over until Sunday, the 28th.

Those present were: C. A. Just, E. Asbury Davis, E. W. Harris, J. Vipond, George B. Scrambling, J. R. Edwards, Geo. Frings, Joseph Kolodny, A. Schwartz, L. K. Black, E. C. Dearstyne, A. L. Haas, J. Loughran and Max Jacobowitz. The houses with whom the above are affiliated are well known to the trade.

Visiting members were I. Moss, Trenton, N. J., and H. Goldman, Washington, D. C.

Actual constructive policies were adopted and the following committees were appointed on matters which appeared to be of first importance:

Ways and Means: J. Kolodny, A. Schwartz and J. Loughran.

Membership: E. W. Harris, L. K. Black, H. Gunst and C. E. Watkins.

Constitution and By-laws and Code of Ethics: J. Vipond, G. B. Scrambling, E. C. Dearstyne and M. Jacobowitz.

Cigar Manufacturers: E. Asbury Davis, Sam Wasserman, G. B. Scrambling, C. A. Just and M. Jacobowitz.

The fine attendance evidenced great enthusiasm, as did the unanimous adoption of all policies. Those who did not attend were either out of the United States or could not do so because of the press of business.

The enrolled members at present represent some of the most important tobacco products jobbing houses in this country. Numerous applicants for affiliation will be announced later by the membership committee.

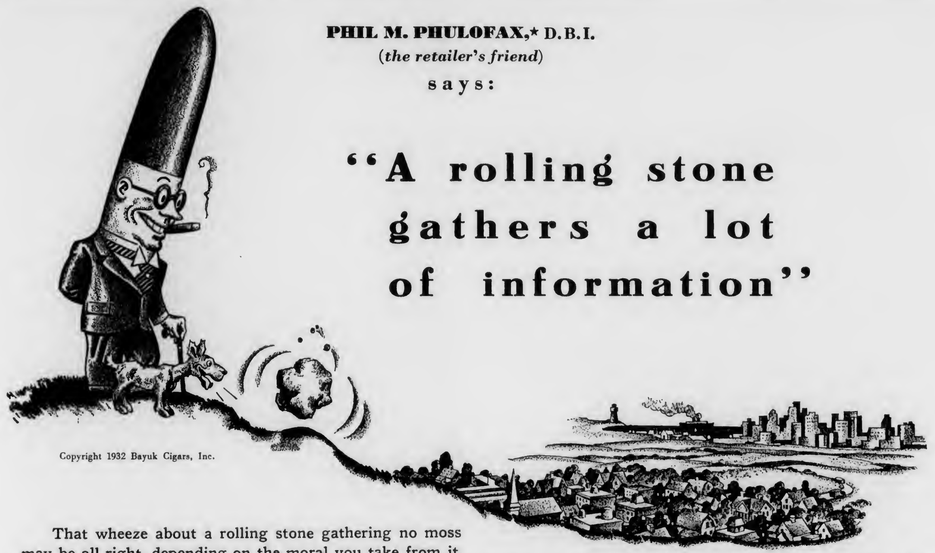
The appointed committees will make their reports to the board of directors at a conference to be announced later, and will be made public immediately thereafter.

The cigar manufacturers' committee convened at the Hotel New Yorker, on Monday, August 29th. Details of importance were brought forth and this committee will announce its deliberations in the very near future.

Alvaro M. Garcia, of the Garcia y Vega factory, Tampa clear Havana manufacturers, was a recent visitor at John Wagner & Sons, "Garcia y Vega" distributors for this territory. The "Garcia y Vega" brand enjoys a splendid sale here under the able representation of Ben Lumley, one of the best known and liked salesmen in this district.

Tom Allely, well-known to the trade as a former representative of the Union Tobacco Company in this territory, has returned to the fold after an absence in other fields, and is now representing the Christian Peper Tobacco Company, St. Louis, Mo., on their "Listerine" cigarettes, and other brands, with splendid success.

Johnnie Kneher, well-known lithographic salesman covering Eastern Pennsylvania, has become associated with the Consolidated Lithographing Corporation. Mr. Kneher was formerly with the Moehle Lithographic Corporation, and later with the American Colortype Company, when that company absorbed the Moehle Company.



Copyright 1932 Bayuk Cigars, Inc.

PHIL M. PHULOFAX,* D.B.I.
(the retailer's friend)
says:

"A rolling stone gathers a lot of information"

That wheeze about a rolling stone gathering no moss may be all right, depending on the moral you take from it. But to me it always sounds like upside-down philosophy. Why should a stone—or a man—or a store gather moss anyhow? I take that as a sign of decadence—of doing nothing or getting nowhere. "Go places and learn things," is my motto . . . and also that of G. C. M., of Allentown, Pa. Here's what he writes:

"It's easy for a cigar retailer to get so close to his business that he can't see where it can stand improvement—especially if he has to do a lot of store tending himself and doesn't get around much. I'm 'head clerk' myself; but I never let myself become so chained to the counter that I get deaf, dumb and blind to what other retailers are doing, or how I can 'pep' up my own store and selling methods.

"At least once a week I tear myself away and go on a still hunt for information about the cigar business. Whether it's a stroll through my section of town, a short trip in the family 'flivver' or an errand downtown, I drop into as many cigar stores as I can. Spending a nickel or dime makes me a customer and not just a snooper. Naturally, I'm all eyes noting how others keep their stores, and all ears listening to the sales talk they hand out.

"In the unprogressive stores I learn about faults to be avoided. In the up-to-date ones I get ideas I can use advantageously myself. As a result, I usually get home with an object lesson under my hat that's worth a great deal more than the time I've taken to obtain it. Maybe it's an idea for a better store arrangement; putting on a 'sale'; a window attraction; some wording for a snappy poster; a line of talk to help me move some sleepy stock; or a reminder as to where or how a bit of paint would brighten up the store or fixtures.

"Has it paid me? Does a roving bee gather the makings for honey? If I do say it myself, I've got a store any cigar retailer could be proud of. If you ever get up my way, ask anybody within three blocks where to find the livest cigar store in the neighborhood. I'll have a good cigar ready to welcome you with—for it's my store they'll be directing you to."

Thanks for the cigar, G. C. M.; and especially for that ringing speech of yours. It has enough voltage to lift any tied-down, easy-go retailer right out of his seat and send him rolling out on an information-gathering expedition before the next sunset.

Phil M. Phulofax*
D. B. I.

**Associated with* BAYUK CIGARS INC., *Philadelphia*
Makers of fine cigars since 1897

P. S.—Business building is a cumulative process—of using, adapting or improving on the methods of others. In the end everybody benefits. That's why more of you other retailers ought to be contributing selling suggestions for my page—in return for the doggone good ideas others are handing you. Do your stuff, men, and let me hear from you.

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR *(BAYUK "PHILLIES")* BAYUK HAVANA RIBBON
BAYUK MAPACUBA PRINCE HAMLET CHARLES THOMSON

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

(Continued from previous Issue)

EDUCATION OF A RETAIL SALES FORCE

THE QUESTIONNAIRE

(*m*) I must think it over.
(*n*) I think I will buy the goods and have my dressmaker make it.
(*o*) It doesn't fit well enough.
(*p*) I prefer to go to B's; I have a charge account there.
(*q*) I want something nicer.
(*r*) That is not the color I had in mind.
(*s*) I don't want to pay for alterations.
(*t*) It is different from the make you carried last year.

3. Have good salesmanship and volume of returns any bearing upon each other? Good salesmanship is selling merchandise that does not come back to customers who do.

4. If a customer who interrupts a sale wishes more help than you can give her, what should you do?

5. What would you say and do if a customer whom you are waiting on criticizes the service in another department of the store?

6. Is it good taste to "knock" your competitor's merchandise? Why not?

7. Should there be any difference between your courteous treatment of a cash or charge customer? What is the value of each to the store?

8. How do sales clerks often appear when customers return merchandise? Is it good policy? Why not? What is the policy of the store on returns?

9. Why is it a good policy to show merchandise to a customer who is waiting?

10. Do you believe it is a good plan to interrupt a sales clerk? Why not? Is it ever permissible? Can it be managed courteously?

Floor Manager's Weekly Report

The following is a copy of a report which was used with good results in one store. This report is similar to that which is required in many other retail establishments.

1. Have you the right number, too many, or too few people in your departments?

2. Are there any incompetent sales clerks in your force? If so, give names.

3. Do you find that your sales people have an adequate knowledge of store system and policy? If not, state who is lacking and along what lines.

4. Are the sales clerks equipped with a knowledge of their merchandise? How is this instruction given and by whom?

5. Have you noted any cases of unusual service rendered to customers, or cases where there was a decided lack of service? Have you reported them?

6. Do you check up on the store's dress regulations each day and report those failing to conform?

7. Are the merchandise card tallies filled out faithfully by the sales force? Name those failing to do this.

8. Is the discipline of your department what it should be in regard to gum chewing, eating, visiting, or receiving social calls? Have you reported any who have repeated such offenses?

9. Is the charge-authorizer service in your department prompt and efficient? If not, have you reported failures in service to the head of the charge office?

10. Have you any complaints against our delivery service that require particular attention? What?

11. Are the cash registers in your section in perfect order?

12. Is your telephone service prompt and courteous? If not, have you reported your complaints?

13. Are you careful about watching the number of personal calls made by fellow associates?

14. Do you make it your business to see that no merchandise gets lost, either under the counter or back of the shelving?

15. Do you consider the stock keeping in your departments as efficient as it should be? Wherein does it fail?

16. So far as you know, is the service of the receiving and marking rooms efficient?

17. Do any counters, glass, or fixtures in your departments need repairing?

18. Does the floor or case lighting in your departments require attention? If so, what?

19. Do you see that merchandise is correctly marked and that price signs are properly placed?

20. Will you make it a part of your personal efficiency to make suggestions or recommendations that you feel will be for the betterment of the store?

Sources of Material

The store itself is a reservoir of information for use in instructing sales clerks. Buyers, executives, sales experts, and customers may all serve in contributing to this supply. The material for instruction in store routine and store policy must come from the store executives.

Another fund of knowledge with regard to the construction of a course of study and methods of instruction best adapted to the needs of various types of stores is the specially trained teacher graduated from a reputable school of retailing. The number of teachers especially trained in retail subjects has gradually increased, but at present there is still a scarcity of competent instructors.

The retail trade associations are active in supplying every aid to the advancement of the retail salesmen's education. Manufacturers and wholesalers realize to a large extent the importance of training the retail selling force and are ready to assist in this training by providing material in a number of forms, such as handbooks, circulars, magazines, samples of products, motion pictures showing manufacturing proc-

(*Continued on Page 14*)

ANOTHER BIG NEW BROWN & WILLIAMSON VALUE

your customers will grab for!

YOU'VE got to admit that when it comes to putting over successes that make your cash-till ring, Brown & Williamson is *there!* Look at 'em, at the bottom of this page!

And now comes BUGLER, the newest member of the family. A 5¢ fistful of fine, blended cigarette tobacco for the man who wants to roll his own and likes 'em blended, but who doesn't want to pay more.

Dealers are already stocking it and report BUGLER is every bit as good as it sounds! If you haven't your stock yet, your jobber is ready to supply you.

BROWN & WILLIAMSON TOBACCO CORP., LOUISVILLE, KY.

Sir Walter Raleigh Smoking Tobacco, Raleigh Cigarettes, Golden Grain Smoking Tobacco, Wings Cigarettes and Target Cigarette Tobacco are others in the group of well-known B & W successes.

RETAIL STORE PROBLEMS

(*Continued from page 12*)

esses, conventions, the compilation of bulletins, mail courses in retail selling, and other aids.

The Federal Board for Vocational Education and the commercial division of the Bureau of Education (Department of the Interior) may be of help in compiling reading lists and in furnishing book references on the subject of training a retail sales force. In supplying technical data for collaterial material desired the various bureaus and divisions of the Department of Commerce, Department of Agriculture, and Department of Labor will be of particular value.

The above is merely suggestive and is intended to show the varied sources of material available for the use of the retailer who desires to give more serious attention to the systematic training of employees.

Conclusion

Vindication for all the time, labor, and money spent in the whole modern scheme of distribution hinges closely upon how well the retail salesman is equipped to perform the final functions which deliver merchandise into the consumer's possession. Therefore, the proper training of a sales force is a matter which vitally concerns every merchant engaged in the retail business.

It is probably true that the majority of merchants use a training system of some kind, and in many stores the system of education established has proved so productive of increased business that a need for improvement is not seriously considered. A more intensive study of present-day retailing conditions leads to the conclusion that either a poorly trained selling staff or one educated to efficiency will serve equally well in illustrating the importance to the retailer of scientifically cultivating retail salesmanship.

A clerk in a store of any size or character should know the stock he is to handle, how to sell it, and why he sells it. There are now store clerks who can not justly be called salesmen, many who are moderately skillful, and others who through training have acquired adept ability. In any case, the direct effect which systematic training, or the lack of it, has on the retailer's business fully demonstrates that further effort may well be directed toward increased proficiency in retail selling.

COOPERATIVE RETAIL ADVERTISING

Introduction

Cooperation has entered the field of advertising. The idea came into existence at no definite time. It was but the realization that the prosperity of the individual depends in a large measure on the prosperity of the group. It is a sign of the times.

The "Shop early for Christmas" idea is cooperation of the highest type; "Stop, look and listen" has brought home to us the necessity of watchfulness when crossing railroad tracks; "Safety first" and "Lose a minute and save a life" have, through cooperation, accomplished much.

One of the most popular forms of cooperative advertising is community advertising, which aims to attract attention to the community or to a larger area as a whole and which is sponsored by a city, a state, or a section of the country. What is here termed "cooperative retail advertising" refers to the furthering of sales, either directly or indirectly, within the community and its contributing territories by a retail group. This advertising reaches a present and tangible market, and it is the form of cooperative advertising in which the retail dealer is believed to be naturally and logically most interested. His own organization, as well as others within the community, must have the right business spirit before he can hope to attract organizations or persons from without that community. It is like putting one's own house in order first. This study has, therefore, been limited to cooperative advertising and to only those phases which concern the retail dealer.

Purposes of Cooperative Advertising

The primary purpose of cooperative retail advertising, as well as all advertising, is to promote sales. In fact, special sales events have been to a large degree responsible for bringing home to the merchant the full value of cooperative advertising. Dollar-day sales, for example, where cooperation is necessary to the extent of agreement as to the dollar sales price and the specific day for the sale, have taught the merchant that cooperative effort does make sales events more effective.

The second aim—to reduce the cost of advertising—is equally important. Just as any combined effort brings about a more emphatic result, a cost shared by many reduces the amount expended by any individual of the group. Some merchants have thought that they could not afford to buy space regularly and work up copy which would always be effective. Cooperative advertising meets this problem. It makes it possible for even the small retailer to compete successfully in advertising.

Thirdly, there is the opportunity to bring about a high standard in advertising. Advertising has perhaps suffered from attacks of untruthfulness more than any other field of work. With a full realization of this condition, the advertiser of today is making admirable efforts not only to eliminate untruthful or misleading statements, but also to avoid exaggerations, meaningless superlatives, hasty generalizations and glittering remarks. Through cooperation these aims can be more easily accomplished.

A fourth opportunity is one which is afforded both to the retailer and to the public. Cooperative retail advertising tends to eliminate petty differences and unfair competition among merchants and to substitute a spirit of good will. Good will among merchants soon spreads to the community which it serves and brings about that same spirit between merchant and community, building confidence and patronage. It emphasizes the value of a "trade-at-home" policy. When the spirit of good will extends to the customer in the contributing territories, a fifth purpose is accomplished in a close urban and rural trade contact. In the average town, as well as in the city, there have grown up neighborhood stores of surprising strength and popularity, making their own demands for the trade of that neighborhood. Cooperative retail advertising accomplishes a sixth purpose by helping a neighborhood to retain trade which properly belongs there.

Types of Cooperative Advertising

There are many types of cooperative retail advertising. One of the earliest and most successful efforts is known as the "Neosho" or "Golden Rule" sales-day plan. It is a combination of farmers' auction sales and merchants' special sales. It is called the "Golden Rule" sales-day plan for the reason that uniformity in advertising, both as to the amount of space and the kind of type, is strictly adhered to, thus eliminating any advantage which the largest firm

(*Continued on Page 18*)

PERMIT YOUR CUSTOMER

To Enjoy

THAT PARTICULAR FLAVOR

THAT

Only A Good Cigar Can Give By Packing Your Cigars

IN THE

NEW IMPROVED "AUTOKRAFT" CIGAR BOXES

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

News from Congress

(*Continued from page 8*)

on chewing and smoking tobacco dropped $346,786, from $58,376,942 to $58,030,155, and receipts from snuff decreased $344,164, from $7,190,466 to $6,846,301.

Other losses were $44,135 on small cigars, taxes on which dropped from $270,644 to $226,508; $14,156 on large cigarettes, which declined from $45,815 to $31,659, and $7423 on miscellaneous collections, which decreased from $10,153 to $2730.

The only item to show an increase in revenue was cigarette papers and tubes, collections on which increased $258,676, from $1,441,826 to $1,700,502.

Approximately two-thirds of all the cigarette taxes and one-third of the taxes on manufactured tobacco and snuff were collected in North Carolina, where receipts on cigarettes were $196,196,159 and on tobacco and snuff $22,781,703. Pennsylvania contributed the greatest total on cigars, $4,202,953.

CIGAR BOX MANUFACTURER DIES

Philip Temple, cigar box manufacturer of Evansville, Ind., for more than thirty years, died suddenly at his home, following a heart attack, on Monday, September 5th.

Funeral services were held on Thursday afternoon from his residence in Evansville.

Mr. Temple was sixty-one years old, and is survived by his widow, three sisters, and two brothers.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va.	President
CHARLES J. EISENLOHR, Philadelphia, Pa.	Ex-President
JULIUS LICHTENSTEIN, New York, N. Y.	Vice-President
WILLIAM BEST, New York, N. Y.	Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y.	Vice-President
GEORGE H. HUMMELL, New York, N. Y.	Vice-President
H. H. SHELTON, Washington, D. C.	Vice-President
WILLIAM T. REED, Richmond, Va.	Vice-President
HARVEY L. HIRST, Philadelphia, Pa.	Vice-President
ASA LEMLEIN, New York, N. Y.	Treasurer
CHARLES DUSHKIND, New York, N. Y.	Counsel and Managing Director

Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio	President
CHAS. B. WITTROCK, Cincinnati, Ohio	Vice-President
GEO. S. ENGEL, Covington, Ky.	Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio	Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City	President
MILTON RANCK, Lancaster, Pa.	First Vice-President
D. EMIL KLEIN, New York City	Second Vice-President
LEE SAMUELS, New York City	Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J.	President
ALBERT FREEMAN, New York, N. Y.	First Vice-President
IRVEN M. MOSS, Trenton, N. J.	Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J.	Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN	President
SAMUEL WASSERMAN	Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo.	President
E. ASBURY DAVIS, Baltimore, Md.	Vice-President
E. W. HARRIS, Indianapolis, Ind.	Vice-President
JONATHAN VIPOND, Scranton, Pa.	Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio	Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J.	Secretary

FREE EMPLOYMENT SERVICE

TO MEET the problems brought about by the continued lethargy of business, as it affected the professional technical worker then and now unemployed, "The Engineers' Club of Philadelphia," in January of this year, sponsored the Philadelphia Technical Service Council. This group consists of representatives from twelve National Engineering Societies, and the association of the State Employment Commission of Pennsylvania has been secured. Thus all requests for technical men are handled through the committee for the Philadelphia Metropolitan area.

The work of the committee, consisting at present of six office workers and fifteen field callers, is divided into four main divisions: Placement, Field Contacts, Publicity, Research. The primary object is to secure placement for the registrant, at the same time securing for the employer the best talent available. Since volunteers from among the registrants do the work, this valuable aid to industry is available to employer and employee alike, without charge.

On file are the applications of 1005 men, who have given their personal, educational and professional qualifications. Copies are submitted to the prospective employer and include photographs of the applicants.

A system of status returns insure that applicants that are referred are definitely known at the time to be seeking employment.

Altogether, the men registered here have experience in 115 varied occupations, in over 200 diverse industries, and includes seventy different types of engineers.

That one may be assured of securing adequate personnel here, the following data compiled from the registrants' records is given to show that they represent a cross-section through the wage and age groups:

Salary Group Using Entire Registration	*Per cent.*	*Age Group*	*Per cent.*
Not given	18		
Under $2500	38	Under 30	35
$2500-$3500	23	30-40	34
$3500-$5000	17	40-50	24
Over $5000	4	Over 50	7
	100		100

Colleges Represented	*Per cent.*
Local	36
United States	47
Foreign	5
None	12
	100

Comparing the above percentage in the various groups, supports the oft-made assertion that their services are undervalued. Of additional interest is that one-third of the applicants are members of Technical Societies. Sixty-three percentum of the registrants are married.

Fifty per cent. of the men are qualified as designers and draftsmen, largely because of the emphasis placed upon this phase of engineering in their field of training courses.

Additional information will be gladly given anyone. Address the Philadelphia Technical Service Committee, in care The Engineers' Club of Philadelphia, 1317 Spruce Street, Philadelphia, or 'phone, PENnypacker 5234. Mr. Renshaw Borie is in charge of the committee's activities, as manager, and the Publicity Division, from whom this data has been secured, is under the direction of Mr. Denis Hebold.

N. A. T. D. ASKS CO-OPERATION OF MANUFACTURERS

THE National Association of Tobacco Distributors is rapidly organizing its forces for an aggressive campaign to better conditions throughout the tobacco industry, and while it is primarily an organization of tobacco distributors, any movement which will be of benefit to them will naturally be of benefit to the entire industry, and with this thought in mind, Max Jacobowitz, secretary of the N. A. T. D., has addressed the following letter to all the important manufacturers in the industry.

"I am addressing a similar letter to every important manufacturer in every branch of the tobacco industry in the United States.

The National Association of Tobacco Distributors has as its ulterior purpose, policies of interest to the entire industry. I would like to have your valued opinion as to whether an organization such as the National Association of Tobacco Distributors should function, and if you agree that its importance is equal in magnitude to the manufacturer and distributor alike.

Although the adopted rules do not at present provide that manufacturers are eligible for membership, I feel that you share our belief that an association such as this, with reasonably adopted ethics and judiciously devised policies lawfully pursued and arrived at through conference, will bring about the much needed betterment that is desired and hoped for by all.

I regret that I cannot invite you to become an active member for the reason stated above, but I feel that you want to voluntarily subscribe to the financial structure thereof.

Thanking you in advance for your anticipated cooperation, I am,

Very truly yours,

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS.
By Max Jacobowitz, *Secretary.*"

MJ:MLJ

UNITED MAKES OFFER TO OWL HOLDERS

A petition to compromise the suit brought by W. W. Hindman on behalf of the Owl Drug Company against Drug, Incorporated, United Drug Company and Louis K. Liggett Company was approved on August 30th by Superior Court, Judge Hahn, of Los Angeles. The judge completely exonerated the officers of the corporations named in the suit of any wrongful act or unlawful intent.

Mr. Hindman charged in his suit that Drug, Incorporated, had obtained the common stock of Owl Drug to acquire and ruin its manufacturing drug business.

To avoid the expense of the litigation, United Drug offered Owl Drug preferred holders one share of Drug, Incorporated, common for two and one-half shares of Owl preferred, and agreed to cancel a debt of $500,000 covering goods sold to Owl by United Drug. In connection with the exchange offer it was stated 43,000 shares of Owl preferred stock are now deposited in escrow for exchange which, it is understood, United Drug intends to "take up." The offer of United Drug will remain open for thirty days.

P. LORILLARD COMPANY DIVIDEND

The P. Lorillard Company has declared a regular quarterly dividend of 30 cents a share on the common stock, payable October 1st to stockholders of record on September 15th.

NORTH CAROLINA PRICES HIGHER

HUNDREDS of thousands of dollars poured into the pockets of eastern North Carolina tobacco farmers last week as marketing of the 1932 new bright B crop began with prices skyrocketing far above initial offerings last year.

Especially were prices higher—in some cases twice or three times last year's—on the lower grades.

Wilson, one of the world's largest markets, reported total sales for the day of 357,158 pounds for an average of $10.89 per 100. Trading was reported heaviest in tobacco of only fair quality.

With the official markers far behind, sales at Kinston were reported approximately 750,000 pounds at an average of from $10 to $11, an increase of from 25 to 30 per cent. over last year's opening day figures. The lower grades were selling, in some cases, four or five times as high as last year. Selling was in progress for eight hours.

Rocky Mount markets sold 110,990 pounds, for an average of $12.07.

Farmers at Washington received approximately $7.97 per hundred for 50,974 pounds, mostly lower grades, as compared with $6.39 last year. New Bern floors handled an estimated 75,000 pounds at $12.50, while Ahoski sold 85,558 for an average of $13.06 or almost double the general average price for the first day's sales in 1931, and there was little of the higher grades on the floor.

Approximately 85,000 pounds were traded at Goldsboro. Official figures available for the first floor only placed the average at $10.86, compared with $7.95 last year, and figures for the second floor were believed about the same. The day's offerings consisted largely of first curing and lugs, with prices ranging from $20 to $45.

According to the United States Department of Agriculture, one day's average prices on the Florence, South Carolina, market were:

Lemon leaf, B 3 L, $29.70; B 40, $21.10; B 50, $14.90; B 60, $9.10.

Lemon cutters, C 50, $22.30.

Lemon lugs, X 10, $19.60; X 20, $15.50; X 30, $11.20; X 40, $6.40.

Sales were heavy on both Darlington and Pamplico markets. Offerings were made up principally of good to common quality leaf with small percentages of cutters and lugs. Price declined greatest for orange side of fair to common leaf and fair quality lugs. One lot fine tobacco sold at $110 per hundred at Darlington. One lot wrappers sold at $102 per hundred pounds and choice quality leaf sold up to $55 per hundred at Pamplico, but quantity insufficient to quote averages.

R. J. REYNOLDS DIVIDEND

Directors of the R. J. Reynolds Tobacco Company have declared regular quarterly dividends of 75 cents a share on the common and common B stock of the company, payable October 1st to stockholders of record September 17th.

George Zifferblatt & Company have launched their new five-cent size of the "Habanello" brand on the market and it is meeting with a grand reception. The new size is four and a half inches long, and is a blunt shape with Havana filler, and will undoubtedly prove a valuable addition to the "Habanello" line at this time.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c) payable strictly in advance

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE. No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine. Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

ACKER, MERRALL & CONDIT IN RECEIVERSHIP

THE old established firm of Acker, Merrall & Condit Company, New York City distributors of high-grade groceries, etc., for twenty-nine years since their reorganization of the firm established in 1820, was placed in equity receivership on September 1st, by request of Austin, Nichols & Company, Incorporated, a creditor.

The Irving Trust Company was appointed receiver for the company. The company is reported to have been operating at a loss, due to changing conditions, for some time.

The original Acker, Merrall & Condit firm was founded in 1820, and the present firm was incorporated in 1903. Its wholesale tobacco department was taken over by Faber, Coe & Gregg, Incorporated, in 1922.

AMERICAN TOBACCO COMPANY DIVIDEND

The American Tobacco Company has declared quarterly dividend of $1.50 a share on the preferred stock of the company, payable October 1st to stockholders of record on September 10th.

The "Down-Town Club" located in the Ledger Building, Sixth and Chestnut Streets, has recently opened a dining room for the public which is being well patronized. Yahn & McDonnell are stocking the cigar stand in the new restaurant which is also enjoying a good business on "Optimo," "Blackstone" and other popular Yahn & McDonnell brands.

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

NEWBEE:—46,077. For cigars. August 27, 1932. David E. Newman, Manchester, Conn.

ADVERTISING HOLDS DRUG EARNINGS UP

DRUG, INCORPORATED, reports for the six months ended June 30, 1932, net income of $7,684,021 after all charges and reserves, compared with $10,656,053 for the like period of 1931. After the payment of a small amount of dividends on stock of a subsidiary, earnings for the half year were equivalent to $2.19 a share on the 3,501,499 shares outstanding at the end of the period. This compares with $3.04 a share on the same number of shares in the first half of 1931.

The consolidated surplus account showed an increase in earned surplus to $25,652,482 on June 30 from $24,974,783 on December 31 last. Dividends paid to stockholders in the six months totaled $7,002,998.

Current assets as of June 30 stood at $58,830,145, including cash of $14,637,704 and marketable securities (at cost) of $11,842,359, against current liabilities of $8,350,523. At the end of 1931 cash totaled $16,085,311 and marketable securities $10,132,520. Of marketable securities held, approximately $9,000,000 are in United States governments, municipals, call loans and certificates of deposit.

W. C. Watt, treasurer, in a statement accompanying the report, said in part: "It is significant that earnings for the first six months of 1932 covered the dividend requirements by a substantial margin. The stability of the company has been indicated by the continuation throughout the depression of the regular quarterly dividend of $1 per share. Possibly one of the most important factors accounting for this favorable condition, in addition to the character of the products, has been the corporation's policy of maintaining a consistent expenditure in national advertising for its products."

GEORGE W. HELME DIVIDEND

The George W. Helme Company has declared regular quarterly dividends of $1.25 a share on the common stock of the company and $1.75 on the preferred. Both dividends are payable October 1st to stockholders of record on September 10th.

CANADA EXPORTS TO ENGLAND DOUBLE

Raw tobacco exported from Canada to Great Britain during the first six months of 1932 was more than twice that of the corresponding period of 1931. This year's exports have amounted to 8,094,708 pounds to the end of June.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

might have over the smallest firm. Originating in Neosho, Mo., several years ago, this plan has spread to more than 300 communities. Perhaps this type is an outgrowth of community advertising, for it includes not only an effort on the part of groups in the town but extends to a trade group of farmers in the surrounding country.

Cooperative retail advertising campaigns may originate either with groups in one trade or with groups from more than one trade. There is scarcely a trade which has not cooperatively launched a successful advertising campaign. Electrical contractors, shoe retailers, milk dealers, bakers, merchant tailors and public market dealers are but a few who have among themselves effectively cooperated in advertising. Cooperation among groups from more than one trade has been no less successful than the one-trade type. Generally, the former type is managed through merchants' associations, chambers of commerce or other similar trade bodies. Groups composed of closely allied trades, such as bakers and dairymen, garage and automobile dealers, or real estate, lumber and furniture companies, have also combined. It is interesting to note that both the one-trade and the more-than-one-trade types have not been restricted to any region but rather have been nationwide. Further, they have been of value both to the retailer in the city and to the retailer in the town.

Manner of Handling Campaign

Whether the cooperative effort is restricted to one trade or includes many, there is opportunity for a varied handling of the campaign. Some campaigns have been launched with an educational appeal, the sales promotion idea being far in the background. For example, the drug dealers in one city conducted a "truth" campaign to convince people that their stores were reliable agencies. A real estate board in the middle west cooperatively placed before the public educational messages which carried ideas of better service. A group of tailors in an eastern city joined forces to combat charges and allegations of profiteering. A group of coal dealers overcame an attitude of suspicion and mistrust which had been taken toward this business. The butchers of another city taught people the value of less popular but equally nutritious cuts of meat by featuring descriptions of these cuts and recipes for serving them. Automobile dealers everywhere have at various times conducted "safety first" campaigns and have urged better roads and bridges. A striking example of a purely educational appeal was sponsored by a retail group of furriers, with the primary purpose of bringing new and skilled workers into the fur industry and of thereby raising the standard of service and ultimately increasing sales. In fact, as a result of this campaign, a fur school was opened.

Strictly sales promotion campaigns are perhaps more numerous. They are, furthermore, as justifiable as those which make the educational appeal. There is not always the same need for a change of condition or a change of thought in the public's mind before sales can be effected. Florists accomplish sales with their direct slogan, "Say it with flowers"; clothiers frankly tell us to "Dress well and succeed"; and jewelers have increased the sale of jewelry with "Let your jeweler be your gift counselor." Some lines of business have preferred to feature their trade-marks as a direct sales appeal.

(To be continued)

OCTOBER 1, 1932

VOLUME 52 No. 19

THE TOBACCO WORLD

LIBRARY
RECEIVED
OCT 6 - 1932
Department of Agriculture

PERMIT YOUR CUSTOMER

To Enjoy

THAT PARTICULAR FLAVOR

THAT

Only A Good Cigar Can Give By Packing Your Cigars

IN THE

NEW IMPROVED "AUTOKRAFT" CIGAR BOXES

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

BUSINESS IS LOOKING UP!

Follow the Trend and Increase Your Sales With—

★ ★

WOODEN BOXES

★ ★

Let your sales convince you that more customers select cigars from wooden boxes than from any other form of container.

In Wooden Boxes the whole length, shape and color of the cigar is open for easy inspection and selection. Furthermore the cigar flavor and aroma is ripened to its fullest fragrance in these containers.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 — Number 19

THE TOBACCO WORLD

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year — PHILADELPHIA, OCTOBER 1, 1932 — Foreign $3.50

PHILADELPHIA RECEIVES "CORONAS" ENTHUSIASTICALLY

THE Philadelphia market received their first shipment of the new "Corona" brand, now being manufactured at Trenton, N. J., on Saturday of last week and they were immediately placed at vantage points throughout the city by the local distributors of the brand, Yahn & McDonnell, and eagerly bought by critical smokers who were anxious to compare the new cigars with the old imported brand.

The test was apparently satisfactory, for on Monday Yahn & McDonnell were besieged by retailers clamoring for more of the brand as their first shipment was exhausted.

Paul Brogan, vice-president of Yahn & McDonnell, stated that in his twenty years' experience in the cigar industry he had never seen anything cause such a sensation in the industry as the first shipments of the new "Corona" brand.

New prices of the brand are approximately 50 per cent. of the former price when the brand was imported from Havana. The "Belvedere" size now retails at 15 cents each, one-fortieth box $3.50; "Corona," 35 cents, three for $1, one-fortieth $8; "Corona Chicas," 20 cents, one-fortieth $4.75; "Perfectos," three for 50 cents, one-fortieth $4.

UNIVERSAL LEAF INCOME

The Universal Leaf Tobacco Company, for the year ended June 30th, shows consolidated net income of $861,851 after depreciation and Federal taxes, but before reserves for inventory adjustments and contingencies. This is equivalent to $2.50 a share on 142,914 no-par shares of common stock after the 8 per cent. preferred dividends.

There has been provided from surplus $500,000 which has been added to reserves, including $388,873 to absorb any loss sustained in old crop tobacco included in the inventory. The balance is a provision for any doubtful items or adjustments which may be necessary.

Net profit for the year to June 30, 1931, was $1,227,712, or $5.07 a common share.

UNITED CIGAR LOSS $2,400,000 IN HALF YEAR

Examination into the position of the United Cigar Store Realty Holding, Incorporated, prior to the filing of a petition in voluntary bankruptcy by the United Cigar Stores of America, Incorporated, and subsidiary concerns in August was conducted in New York on September 17th before Referee Irwin Kirtz by counsel for the receiver, the Irving Trust Company.

A. C. Allen, vice-president of the United Cigar Stores, testified that the directors decided to file the bankruptcy after accounts had revealed a loss of $2,400,000 for the first six months of 1932.

ADVERTISING INCREASES LIGGETT & MYERS EARNINGS

CONTRARY to the general trend of business during 1932, the Liggett & Myers Tobacco Company is reported to have increased the sales of their "Chesterfield" cigarettes to a substantial extent, and likewise the net earnings of the company.

It is more than a possibility that Liggett & Myers will this year show an improvement in earnings over 1931, when net earnings were equal to $6.87 a share on the 3,136,919 combined common and common B shares. It is even possible that earnings may exceed the all-time record of $24,002,315, or $7.15 a share shown in 1930.

An aggressive advertising campaign has been an important factor in improving "Chesterfield's" proportion of aggregate sales. "Granger," Liggett's pipe tobacco, has also been extensively advertised, and has shown a gain in actual volume, as well as in proportion of total business in that line.

Of its other brands, "Velvet," for pipe and cigarette, has done better than hold its own; "Duke's Mixture" cigarette-rolling tobacco, will show substantially larger production this year than for 1931.

A hopeful sign in the cigarette division has been the gradual lessening of percentage decline in consumption from last year, during the past few months. The decline reached a peak in April, when the Internal Revenue Department figures showed a drop of 20.15 per cent. in withdrawals for consumption, as compared with 1931. In May, the decline was only 16.87 per cent.; in June, 8.24 per cent.; and in July 10.89 per cent. A decline of as little as 2 per cent. for August has been rumored.

Liggett & Myers pays a regular dividend of $4 a share annually on the common and common B; it has also been usual, for the past several years, to declare an extra of $1 a share at the January directors' meeting, based on the earnings for the preceding year. There seems little doubt that 1932 earnings will be sufficient to justify declaration of a similar extra next January. On a $5 a year basis, yield on the B stock at the year's high is better than 7½ per cent.

MR. AND MRS. EUGENE D. KLEIN CELEBRATE GOLDEN WEDDING

On October 1st Mr. and Mrs. Eugene D. Klein, of 211 Central Park West, New York City, celebrated their golden wedding anniversary. Mr. Klein is on the board of directors of the Consolidated Cigar Corporation and the head of that company's manufacturing activities.

PHILADELPHIA.

WANAMAKER SMOKE SHOP OPEN MONDAY

THE new Wanamaker smoke shop, an innovation in the Wanamaker establishment here, and also in the local trade, will be opened on Monday, October 3d, and will cater exclusively to men.

The new smoke shop is located in the concourse of the new Wanamaker Men's Store in the new Lincoln-Liberty Building, corner of Broad and Chestnut Streets, and will be the finest fitted store in this locality.

The Wanamaker Men's Store will occupy six floors, one of which is below the street level, and will be devoted exclusively to men's merchandise.

The smoke shop will be located in the floor below the street level, and will be under the management of A. L. Peters, who was formerly associated with the D. Emil Klein Company, and who is well qualified from experience to cater to the smoking needs of the male sex.

The store will carry an exclusive line of smoking tobaccos, pipes, cigars and smokers' articles, and will feature private brands exclusively. The finest of high-grade cigars will be offered in the finest shapes and sizes and all bearing the John Wanamaker label.

The opening of the store will be watched with a great deal of interest by the trade throughout the city, and, if successful, may result in a similar venture by other high-class department stores in the city.

Trade Notes

E. A. Kline, of the Medalist factory, was in town last week visiting local distributors of his brand.

N. E. Nichols, of the "Belinda" factory in Havana, was a visitor last week and secured some substantial orders for holiday business.

The "Chukkers" cigarette of Simpson, Studwell & Swick, is being well displayed in this territory and meeting with a ready call. John Wagner & Sons are local distributors of the brand.

Irving Studwell, of the Health Cigar Company, was in town last week and placed his "Crusaders" cigar, retailing at ten cents, for distribution with John Wagner & Sons.

T. H. HART DIES

THEODORE HENRY HART, well-known distributor, and head of the long-established firm of T. H. Hart & Company, which was located on Market Street west of Broad for nearly fifty years, passed away suddenly at his home in Ardmore, Pa., on Sunday evening, September 25th, following a heart attack.

T. H. Hart & Company was at one time one of the largest importers and distributors of fine cigars in the city, and continued in business at the old stand until about a year ago, when the business was liquidated due to business conditions.

Funeral services were held on Wednesday, September 28th from the Andrew J. Bair & Son funeral home, 3925 Chestnut Street, with interment private.

The Cliff-Weil Cigar Company, Richmond, Va., is expanding the distribution and sale of Bayuk cigars in that territory and recently were assisted by F. L. Brumsey, Bayuk factory man.

The "Monticello" brand, controlled by John Wagner & Sons, is meeting with an increased call in this territory, and prospects are bright for further increases on this quality brand.

The Galesburg Cigar Company, Galesburg, Ill., is featuring Bayuk brands and are forwarding substantial orders regularly to the factory headquarters at Ninth Street and Columbia Avenue.

The Elite Cigar Company, Holmesboro, Ky., recently consummated a successful drive on Bayuk cigars in their sector with the aid of F. H. Stutz, Bayuk factory man.

A special drive on "Listerine" cigarettes will be launched very soon by Yahn & McDonnell, local distributors of the brand, which is expected to increase substantially the sale of this brand, which has already exceeded expectations in this territory.

Percy Gibbon, Buffalo, N. Y., territorial manager for Bayuk Cigars, Incorporated, is the proud father of a bouncing baby daughter and is receiving the congratulations of his many friends. He reports that mother and daughter are doing nicely.

CUSTER'S LAST STAND

"Nature in the Raw"—as portrayed by the great painter of the American Indian, N. C. Wyeth . . . inspired by the massacre of Custer's dauntless band at Little Big Horn, Montana, by the savage Sioux Indians, June 25, 1876. "Nature in the Raw is Seldom Mild"—and raw tobaccos have no place in cigarettes.

Copr., 1932, The American Tobacco Co.

No raw tobaccos in Luckies —that's why they're so mild

WE buy the finest, the very finest tobaccos in all the world—but that does not explain why folks everywhere regard Lucky Strike as the mildest cigarette. The fact is, we never overlook the truth that "Nature in the Raw is Seldom Mild"—so these fine tobaccos, after proper aging and mellowing, are then given the benefit of that Lucky Strike purifying process, described by the words —"It's toasted". That's why folks in every city, town and hamlet say that Luckies are such mild cigarettes.

"It's toasted"

That package of mild Luckies

PUERTO RICO DEVASTATED BY HURRICANE

A DEVASTATING hurricane struck the Island of Puerto Rico on Monday night, with a wind velocity which is said at times to have reached 130 miles an hour, leaving destruction in its wake and is believed to have been equal to the disaster which visited the island in 1928.

Definite reports of damage to tobacco plantations and storage houses had not been received up to the time of going to press but it was said that the entire island was damaged or devastated.

Two hundred persons were known to have been killed and more than one thousand persons injured. A preliminary check indicated that none of the Americans living there was killed or injured, but no American resident escaped without property damage.

Trade Notes

Albert Reiser, operating a cigar store at 1630 Macombs Road, Bronx, New York, filed a voluntary petition in bankruptcy last week in the District Court, listing liabilities of $1761 and assets of $1000.

Frank Fallon, well-known "Partagas" representative for United States and Canada, who has been seriously ill for several weeks, is now recuperating at Atlantic City, and his many friends in the trade are wishing him a speedy recovery.

George Stocking, of the Arango y Arango factory in Tampa, was in town last week visiting John Wagner & Sons, local distributors of the "Don Sebastian" clear Havana brand, made in bond, which is enjoying a splendid sale here in the club and hotel stands.

John L. McGuerty, United States representative for the Romeo y Julieta factory in Havana, was a visitor at John Wagner & Sons, local distributors of the brand, last week, and reported a nice increase in business on that brand, with excellent prospects for future business.

Tom Allely, local factory representative of the Christian Peper Company, is covering his territory, consisting of eastern Pennsylvania, New Jersey, Delaware, Maryland and Virginia, on "Listerine" cigarettes and other products of the company with marked success.

Charles Cox, who is promoting the sale on Bayuk cigars in the territory covered by the Rothenberg-Schloss Company, Kansas City, reports that "Mapacuba" cigars are going splendidly in that section and Bayuk brands are nicely distributed with consumer demand on the increase.

Benjamin Lumley, representing the Sommerfield Cigar Company, Miami, on their "Dulce" and "Verdi" brands, and Garcia y Vega, Tampa, on their clear Havana brand, "Garcia y Vega," is visiting northern Pennsylvania and New York State in the interest of these brands and reports a highly successful trip.

TWO NEW LORILLARD DEALS

UNDER date of September 16th, the P. Lorillard Company mailed letters to all distributors of "Rocky Ford" and "Muriel" cigars notifying them of special inducements to be offered during the month of October on these two popular brands of cigars.

With each one-twentieth box of "Rocky Ford" invincibles sold to the retailer, the jobber is authorized to give to the retailer fifty books of "Union Leader" redi-cut cigarette papers free, provided each retail customer to whom the deal is sold will display at least one box of "Rocky Ford" invincible one-twentieths in a prominent place on the counter or on top of the show case. The gratis offer on the above basis will apply on any quantity sold to any one retailer.

"Rocky Ford" cigars sold under this offer will not apply for any other deal, and only such orders as are actually shipped by the distributor will apply under this offer.

The distributor is also authorized to offer each of his salesmen a special inducement for every box of "Rocky Ford" invincible one-twentieths sold under the above offer.

For every box of "Muriel" Perfecto cigars, one-twentieths, sold to the retailer during the month of October, the distributor is also authorized to give one box of "Old Gold" 50's free, provided the retailer to whom the deal is sold will display a box of "Muriel" Perfecto one-twentieths on the top of the counter or on top of the show case in a prominent place.

No other deal will apply on "Muriel" Perfecto cigars sold under the above order.

The "Rocky Ford" offer applies to all distributors in the United States, except the State of Alabama. But, in the New England States, New York State and the Metropolitan District of New York, New Jersey and Stamford, Conn., the deal will consist of forty books of "Rocky Ford" matches with each one-twentieth box of "Rocky Ford" cigars, instead of fifty books of "Union Leader" cigarette papers.

The above generous offers will undoubtedly result in substantial increases in the sale of "Muriel" Perfectos and "Rocky Ford" Invincibles and also win many new smokers to the brand due to the prominent display which is to be given these brands in order that the retailer may participate in the advantages of the offer.

DUNHILL INTERNATIONAL REPORTS

Dunhill International, Incorporated, estimates net loss for the first half year 1932 at $40,954, as compared with a loss of $111,423 in the same period of 1931.

AMERICAN SUMATRA REPORT

The American Sumatra Tobacco Company reports for the year ending July 31, 1932, net loss of $361,660, after all charges, as compared with net loss of $170,481 in the preceding year.

Abe Berkowitz, of the Christian Peper Tobacco Company, St. Louis, was in town last week visiting Yahn & McDonnell, distributors in this territory for "Listerine" cigarettes, "Wellington" smoking tobacco, and the other high-grade brands of the Christian Peper Company, and reported excellent business on their brands.

NEVER PARCHED — NEVER TOASTED

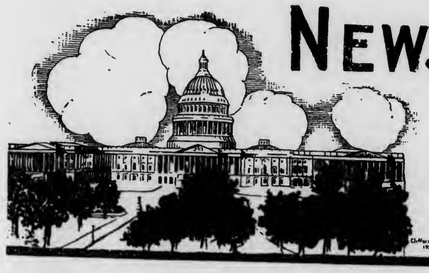
CAMELS are always FRESH!

SWITCH to Camels and learn the mildness of a fresh, cool-burning cigarette. A blend of choice Turkish and mellow, sun-ripened Domestic tobaccos, Camels are never parched or toasted. That's why we say smoke them for one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

ENACTMENT at the next session of Congress of legislation to protect American industry against the competition of products, including tobacco, from foreign countries having depreciated currencies is advocated in a report submitted September 23 to the United States Chamber of Commerce.

In proposing principles to be observed in drawing up legislation dealing with this subject, it was pointed out in the report, the question of levels of duties as established by the tariff act is of less importance than provisions which should ultimately work to preserve for American manufacturers those levels of rates which Congress intended to be maintained when it passed the tariff bill.

"Upon all imports, dutiable or free, of articles produced in the United States in quantities of recognized commercial significance and not of a class which it has been the policy of Congress to exempt from duty irrespective of competitive conditions, and which are imported from a country the currency of which is depreciated by 5 per cent. or more below par," it was declared, "there should be levied compensating exchange duties adequate to offset the depreciation, but in the event internal prices of the country in question had risen by 20 per cent. or more, administrative authorities should have the power to decrease the rate of these duties to a point such that they will equal the influence of increased prices and wages in the country upon the cost of production."

Between September 1, 1931, and June 30, 1932, it was pointed out, the currencies of twenty-two countries had depreciated 5 per cent. or more. The imports from those countries totaled $393,278,000, representing 52.6 per cent. of our total imports, for the first half of 1932.

"It is a significant fact, therefore," the report commented, "that over half of the products at present being imported into the United States are benefiting from the advantage of depreciated currencies."

Analysis of our import trade indicates that receipts from depreciated currency countries have fallen only 7.7 per cent. while imports from other countries show a decline of 34.6 per cent. Seven depreciated currency countries actually showed an increase in their trade with the United States, it was said.

New regulations governing the packaging of cigars have just been issued by the Commissioner of Internal Revenue, permitting the packing of not more than ten large cigars in lightweight cardboard parcels with cutout windows or open at one end.

The new regulations, amending Article 76 of Regulations No. 8, provide that "the statutory number of cigars weighing more than three pounds per thousand, contained in the box, may be subdivided by the use of paper or ribbon bands, or separated into parcels of not more than ten cigars each by inclosure in foil, wax paper, cellophane, or lightweight cardboard with cutout windows or open at one end.

"The caution notice label, factory brand, and classification label must not appear on any subdivision or parcel of a statutory package, but must appear only on the statutory package on which the requisite stamp is affixed.

"Cigars so subdivided into parcels must remain in the stamped statutory box until they are sold and delivered direct to the consumer, and the whole number of cigars packed in each box must correspond to the denomination of the stamp affixed to the box."

New rates of postage on fourth class or parcel post mail went into effect October 1, under the terms of orders issued by the Postmaster General April 7 last.

The new schedule is designed to equalize the rates and make the charges on parcel post mail "more nearly commensurate with the cost of its handling, transportation and delivery," it was explained by the department. Figures compiled by the department showed that there was a material loss on parcels carried within the first three zones, while those going beyond the third zone were handled at a profit.

There is no change in the rates on parcels for local delivery, while the increase per parcel on those weighing from one to ten pounds mailed to the first three zones will not exceed two cents for the first and second zones and only one cent for the third zone; on parcels weighing from eleven to twenty pounds mailed to those zones the increase for zones 1 and 2 will not exceed three cents, and for zone 3 will be only one cent.

On parcels going beyond the third zone the increases will not exceed two cents on any parcel, being applicable only to parcels weighing less than five pounds, while on parcels weighing more than five pounds the rates will in most instances be reduced.

The new rates inaugurate an innovation in that for some zones they include a fraction of a cent, such fraction, however, being counted as a full cent in the total amount of postage on any one parcel. Packages up to seventy pounds in weight and as large as 100 inches in length and girth combined may be mailed as parcel post.

(Continued from page 16)

LIGGETT DRUG ASKS RENT REDUCTION

UNLESS landlords who rent store space to Louis K. Liggett Company, drug store chain operators, consent to rental reductions commensurate with the decline in prices and values generally, the company may be reorganized and default on present leases, it was stated last week by George M. Gales, vice-chairman of Drug, Incorporated, and president of Louis K. Liggett Company.

A letter has been sent to landlords of Louis K. Liggett Company explaining the situation. Negotiations have been going forward with landlords for several months but little progress has been made. The letter sent to landlords, according to Mr. Gales, is the final attempt to arbitrate the matter.

The letter in part states: "Since 1929 the company's volume of business has fallen off 30 per cent. In dollars this amounts to $20,000,000 annually. The loss of this volume not only long ago wiped out the last vestige of the company's profits but it is now involving it in heavy losses which it cannot long sustain.

"Added to the sales losses of the company are heavy losses in its real estate operations. These operations have been a necessary part of the company's chain-store business.

"The failure of this company will mean a loss to its landlords of a tenant. If the company can save itself by a reduction of rents to present market values, the landlords will continue to have a tenant who can pay all their property is worth."

Mr. Gales stated that all expenses of the company have been pared to the bone except rents. Employees have accepted three severe salary cuts and all incidental expenses have been reduced.

"Further sacrifices cannot be asked of employees," the letter stated, "further reductions in operating expenses are impossible; yet increasingly heavy losses continue to be suffered by the company."

The communication also explained that the company had to rent more space than it could occupy to obtain desirable locations and had to sublet what space it could not use. The company itself now had about 1000 tenants on sub-leases "more than half of whom themselves have gotten into financial difficulties which have resulted in failures with consequent defaults, abandonments or forced readjustments of rent."

CUBAN CROP SHORT

Recent reports confirm that the 1932 Cuban tobacco crop will be far below that of the previous year due largely to curtailed plantings. Weather conditions have not been altogether satisfactory. Lack of cool weather during the winter months has somewhat impaired the general quality of the tobacco, although it is said to be of good burn. Prices, which are still unremunerative, will obviously depend on the demand the new crop will have. Not many sales have been made in the country to date. Most farmers are packing their own tobacco and few "vegas" have come to the market as yet. The cigarmakers' strike which began on January 14th has practically settled itself. Habana cigar workers are willing to resume work but as most of the manufacturers have in the meantime moved their factories to interior points, many are finding it difficult to secure employment.—(American Commercial Attache Albert F. Nufer.)

PHIL M. PHULOFAX BROADCASTS ANOTHER IDEA TO INCREASE CIGAR SALES

"HERE'S a hint for hospitality and a boost for business," says Phil M. Phulofax, D. B. I., the well-known cigar man, in a letter written to this publication from the Bayuk offices in Philadelphia.

"One evening soon after my return from my annual summer expedition of discovery, I accepted an invitation to visit my personal and business friend, John B. Widawake. John and I have been cronies since the days when we both sold cigars across the same counter with no small degree of friendly rivalry. Johnny had invited a number of the boys and I noticed that he was passing around a generously proportioned humidor containing several types of cigars—panatellas, perfectos, and coronas.

"'You see I'm practicing what I preach these days,' said Johnny, 'or rather, I've begun to preach what I usually practice. You can't confine your business thinking to business hours if you expect to increase the gate receipts and this particular idea sparked one evening during a game at Bill Stingy's. You see I had forgotten to take along a couple of cigars in my pocket and while Bill sat there and puffed at his big perfecto, I grumbled to myself, wondering how a fellow could keep his poker face without a cigar or what good a royal flush might be without that boon companion. Then I realized that there are a good many folks like Bill who never think to have a supply of cigars on hand for entertainment. Just at that point I saw a new sales idea taking shape.

"'Next morning I went right at it, going over my list of friends, noting that very few of them kept a good assortment of cigars to offer to their guests, and mapping out a little campaign which I thought ought to lure some extra jack into the till.

"'First, I laid in a special supply of good looking humidors. I displayed several of them on top of the show case with cellophane wrapped cigars inside. I offered the combination of humidor and cigars at a special rate, somewhat less than the price of both taken separately. I placed two such boxes in the center of my window with a sign to draw the buying eye and plant the entertainment idea in the customer's mind.

A Good Cigar Makes a Lasting Friend
Offer One to Your Guests
After Dinner, At Cards,
For Any Masculine Gathering
It's a Real Luxury That Costs Little

"'And inside the shop, on the show case, I repeated the theme and announced the special offer of the humidor, plus 50 cigars. Naturally, I didn't let the signs do all the talking. It worked. I sold all my original crop of humidors and sent for more. Moreover, I noticed in a short while that some of my customers were buying more evtra "company" smokes.'

"Attaboy, Johnny! It's new ideas like this that keep Widawake's one of the busiest and triggest shops in town and this particular idea is one that can stand a lot of pushing. Do your customers buy enough cigars for entertainment purposes? They probably serve candy, or salted nuts after dinner, at bridge games and when folks just drop in. Why not cigars for the masculine element. Tell 'em, show 'em, and sell 'em on the fact that cigars add a touch of luxury which cannot be secured in any other way and cost so little as compared with the total cost of the party. Cigars are a part of any real entertaining—and watch the cash box rejoice."

ENGINEERS EXPERIENCE EVIDENCE OF BUSINESS RECOVERY

BUSINESS has, at last, taken the turn for the better. Of all the many indications, the one most acceptable to those still idle is the re-employment of some of their number. The Philadelphia Technical Service Committee has found a noticeable increase this past week in the requests for engineering personnel and in the number of men returned to work through its efforts. A total of 150 men have been definitely placed to date. Of this number forty are now on made work with municipal and civic organizations, financed from a fund subscribed by individual engineers and engineering societies of the council. A movement is now on foot to raise $60,000, and it is planned to extend this type of service until 200 engineers with dependent families can be cared for. The State Employment Commission of Pennsylvania, the Engineers' Club of Philadelphia, which sponsored this committee, and the local sections of twelve national engineering societies listed below comprise this council.

American Society of Civil Engineers,
American Society of Mechanical Engineers,
American Society of Heating and Ventilating Engineers,
American Society of Municipal Engineers,
American Society of Steel Treating,
American Institute of Electrical Engineers,
American Institute of Chemists,
American Chemical Society,
American Welding Society,
Illuminating Engineering Society,
Society of American Military Engineers,
Association of Iron and Steel Electrical Engineers.

The combined membership of this local group, including the Engineers' Club, is 5000 members. The council has entrusted the management of its activities to six members who form the committee. Employment activities are carried on by a non-salaried staff of five volunteers from among the unemployed technical men, and thus this service is offered without charge to anyone.

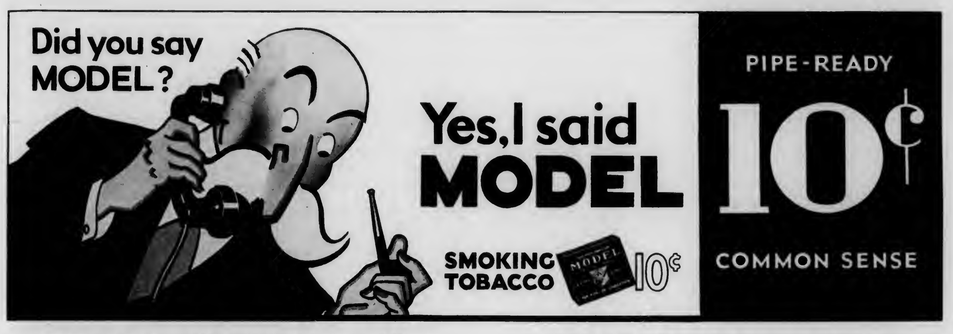
To date over 1100 applicants have registered for employment. Inquiries are solicited from executives requiring engineering personnel. For additional information address "Employment," 1317 Spruce Street, Philadelphia, Pa., or telephone Pennypacker 5234.

IRELAND PRODUCTION HOLDING UP

Tobacco factories in Northern Ireland state that, although consumption of manufactured tobacco in that country and in Great Britain shows a slight decrease during the first eight months of 1932 compared with the corresponding period of 1931, their output has been kept on as large a level as last year. The larger of the two Belfast factories reports that its production shows even a slight increase, due chiefly to heavier sales in England of its cheaper brands of cigarettes. The tendency of consumption generally in the British Isles is said to be toward the cheaper grades of cigarettes and pipe tobacco. Local manufacturers are expecting the present low prices for American raw tobacco to show a rising tendency soon, in view of reports of short crops in the United States.—(American Vice-Consul Albert W. Scott.)

EIGHT MONTHS' WITHDRAWALS FOR CONSUMPTION

	First 8 Mos. Cal. Yr. 1932	*— Decrease + Increase Quantity*
Cigars:		
Class A—		
United States ...	2,304,391,315	— 134,291,175
Porto Rico	50,614,650	— 45,805,355
Philippine Islands	111,255,210	+ 8,197,010
Total	2,466,261,175	— 171,899,520
Class B—		
United States ...	36,300,618	— 106,275,326
Porto Rico	149,000	— 1,064,750
Philippine Islands	381,712	— 391,592
Total	36,831,330	— 107,731,668
Class C—		
United States ...	549,604,534	— 359,500,586
Porto Rico	2,281,550	— 989,930
Philippine Islands	179,522	— 141,600
Total	552,065,606	— 360,632,116
Class D—		
United States ...	34,935,527	— 21,571,420
Porto Rico	2,700	— 30,900
Philippine Islands	3,126	— 114
Total	34,941,353	— 21,602,434
Class E—		
United States ...	2,098,303	— 4,233,384
Porto Rico	.....	— 1,500
Philippine Islands	20,385	+ 15,404
Total	2,118,688	— 4,219,480
Total All Classes—		
United States ...	2,927,330,297	— 625,871,891
Porto Rico	53,047,900	— 47,892,435
Philippine Islands	111,839,955	+ 7,679,108
Grand Total.	3,092,218,152	— 666,085,218
Little Cigars:		
United States ...	197,950,227	— 43,685,387
Porto Rico	2,550,000	— 2,950,000
Philippine Islands	.....	.....
Total	200,500,227	— 46,635,387
Cigarettes:		
United States ...	70,990,477,506	— 8,661,756,038
Porto Rico	2,994,700	— 4,035,300
Philippine Islands	951,697	— 442,093
Total	70,994,423,903	— 8,666,233,431
Large Cigarettes:		
United States ...	2,394,927	— 1,456,205
Porto Rico	363,000	— 822,000
Philippine Islands	1,000	— 700
Total	2,758,927	— 2,278,905
Snuff (lbs.):		
All United States.	24,390,947	— 2,483,840
Tobacco, manufactured (lbs.):		
United States ...	211,638,517	— 8,660,218
Philippine Islands	454	— 332
Total	211,638,971	— 8,660,550



NEWSPAPER CAMPAIGN FOR "CREMO"

THE American Cigar Company is running a campaign in more than 1400 newspapers, announcing the price reduction on "Cremo" cigars. Four advertisements of 840 lines each will appear over a one-month period.

This marks a return of "Cremo" copy to newspapers, which have not been used since the early part of 1931. Tie-in announcements of the price reduction will be made on "Lucky Strike" radio broadcasts.

"Cremo" started its advertising come-back in the spring of 1929, when George W. Hill had decided that the time was ripe to promote the popularity of a five-cent cigar and he chose "Cremo," an old brand. With aggressive advertising on a large scale, sales of "Cremo" went from practically nothing to a million a day.

More recently, with a let down in advertising together with price reductions in the cigar field, sales of "Cremo" fell off. Announcement of a change in price from five cents straight to three for ten cents already has reflected itself, it is reported, in a sharply upturned sales curve.—*Printers Ink.*

McKESSON & ROBBINS EARNINGS

Net profit of McKesson & Robbins, Incorporated, for the six months ended June 30th amounted to $855,600, compared with total interest charges for the period of $816,071. After adjustments, combined profits for the period were $84,075, compared with net of $1,300,380 in the corresponding period last year, which, after preferred dividends, was equal to sixty-one cents a share on the common stock.

Net sales for the half year were $53,132,328 and gross profit on sales was $8,458,598. The consolidated balance sheet as of June 30th shows current assets of $53,206,948, compared with current liabilities of $10,322,128, a ratio of 5.2 to 1. Outstanding 5½ per cent. debentures were reduced to $20,848,000 from $21,038,000 as of December 31st.

OPENING NEW MARKET FOR CANADIAN TOBACCO

Montreal Que., September 20.

Canada is now invading the tobacco export business to Sierra Leone, West Africa, and a shipment of twenty-five casks of Canadian tobacco has already gone forward, according to the Canadian National Railways. In 1930 the African colony imported tobacco to the value of $1,500,000, of which 77 per cent. came from the United States and the balance from Great Britain.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo. ..... President
E. ASBURY DAVIS, Baltimore, Md. ..... Vice-President
E. W. HARRIS, Indianapolis, Ind. ..... Vice-President
JONATHAN VIPOND, Scranton, Pa. ..... Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J. ..... Secretary

PRIMITIVE ROUSES POPULAR INTEREST

POPULAR interest in the primitive has recently increased remarkably, and as a result more and more is being heard and written about nature in the raw. It has been the theme in recent months of such popular motion picture presentations as "Bring 'Em Back Alive." These pictures show nature in the raw, and those who have seen them will doubtless agree with the cigarette manufacturer who claims that nature in the raw is seldom mild. This point has been incorporated in a series of advertisements appearing in newspapers throughout the country asserting that raw tobaccos have no place in cigarettes and that toasting is needed to give the mildness in a cigarette demanded by smokers. The advertisements are illustrated by paintings by famous artists with many of whom the primitive has been a favorite subject.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

COOPERATIVE RETAIL ADVERTISING

(Continued from previous Issue)

Manner of Handling Campaign

Other cooperative campaigns capitalize an event. Football games, which draw hundreds and sometimes thousands of people to a town, have been taken advantage of by merchants who cooperatively planned special sales. An out-of-town crowd in a rather small locality on such an occasion was estimated between 5000 and 8000. Approximately $5 was spent by each visitor, making a sum between $25,000 and $40,000 of out-of-town money spent in the town on that day. It is, however, not necessary that the time element be dependent on any particular event for success. Retail campaigns, conducted cooperatively, sometimes cover a week; others are of a month's or even a season's duration.

One of the most original cooperative campaigns makes its appeal by featuring the neighborhood. This kind of a campaign has been so close to community life that it might justify being called a movement. The "Patronize your neighborhood store" campaign, designed to retain in that neighborhood trade which properly belongs to the neighborhood, is a development of this kind of cooperation. A similar campaign with the "shop-in-this-neighborhood" aim was sponsored by a group of millinery retailers who were located on a street which in earlier days had been given over to saloons. This cooperative campaign so successfully eliminated from the minds of the public the ideas which had previously been associated with that neighborhood as to convert it into a popular millinery shopping center. Another group of retailers catering to a "limousine" trade, located in what was once a fashionable residential district, joined forces to maintain a high standard of quality and service. This particular effort not only accomplished its purpose but was sufficiently successful to arouse competition with the downtown establishments and cause some of them to locate in the new shopping district. A similar instance of "location" cooperation is found in a campaign originated by retailers located in upstairs shops. While upstairs shops have certain advantages, there are also disadvantages which have always afforded a problem. Eight non-competing upstairs establishments demonstrated by cooperative advertising that a campaign might successfully serve as the "elevator" to bring people up to their shops.

Experience has therefore taught that cooperative retail advertising campaigns may center around an educational idea, a purely sales promotion thought, a slogan, or a trade-mark. The time element (either a special event or a period of extended duration) or a location may be capitalized.

Mediums for Cooperative Advertising

Cooperative retail advertising brings with it individual characteristics. Old advertising mediums are still used but with significant differences. The newspaper, which is the most familiar advertising medium, is also the most important. For the same reasons that it covers individual advertising needs, it also covers cooperative needs. What is called "direct mail advertising" is another medium, which takes the form of separate newspaper sheets, pamphlets, booklets, letters and circulars. This form of advertising represents a less simple effort on the part of cooperating merchants, for the reason that there are more points to be agreed upon, such as form and circulation. A third medium is the street car and bus card. Outdoor displays constitute a fourth medium. The two last-named mediums, with their own peculiar advantages which will be discussed later, fit some needs better than others. A consideration of this point should govern their use.

The Newspaper

In using the newspaper as the advertising medium, there are but few points on which cooperative effort is necessary. This makes the newspaper the simplest form of advertising from the point of view of cooperation and requires, therefore, less experience in organization work or teamwork.

Method of presentation.—The method of presentation is probably the most important point on which the combining retail advertisers should agree. Frequently space is taken in a certain section of a newspaper, part of a page or a whole page being purchased and that space divided in proportion to the needs of the individual merchants, the expense being likewise proportioned. When space is so divided the name of the merchant appears as a part of his advertisement. Again, that space may be used for one purpose which has been decided upon as meeting a general need. In this case the name of the association sponsoring the advertisement may be a part of the advertisement, or it may be signed by each of the merchants supporting it. Questions of this kind are determined upon either by the association or by a committee representing the group.

The practicability of a group advertisement to which individual merchants' names were attached is illustrated in space taken in an Eastern newspaper by dealers in awnings and tents. Advertisements with expressions to the effect of "Be comfortable with awnings" and "Let us supply your camp tent this summer" constantly stated in the same place for an entire spring season was a sufficiently successful cooperative effort for those dealers sponsoring the advertisement to avoid what appeared to be an approaching slump. In fact, every one of those merchants was kept busy throughout the spring and summer. A similar instance occurred through advertising material which read, "It pays to have two straw hats." This idea was spon-

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CIGARETTES INCREASE IN AUGUST

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of internal revenue collections for the month of August, 1932 and are issued by the Bureau. (Figures for August, 1932 are subject to revision until published in the annual report):

Products		——*August*—— *1931*	*1932*
Cigars (large)—			
Class A	No.	337,738,560	334,422,610
Class B	No.	7,234,580	4,335,570
Class C	No.	111,643,830	57,872,470
Class D	No.	5,938,089	4,212,760
Class E	No.	700,585	299,650
Total		463,255,644	401,143,060
Cigars (small)	No.	31,931,000	29,865,000
Cigarettes (large)	No.	394,400	274,850
Cigarettes (small)	No.	9,520,178,596	9,558,921,906
Snuff, mfd.	Lbs.	2,806,910	2,801,650
Tobacco, mfd.	Lbs.	28,750,965	28,501,618

Note: The above statement does not include tax-paid products from Puerto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax Paid Products From Puerto Rico for the Month of August.

Products		——*August*—— *1931*	*1932*
Cigars (large)—			
Class A	No.	12,266,450	6,761,150
Class B	No.	84,500	8,000
Class C	No.	233,150	94,000
Class D	No.	1,000	.....
Total		12,585,100	6,863,150
Cigars (small)	No.	500,000	500,000
Cigarettes (large)	No.	225,000	60,000
Cigarettes (small)	No.	500,000	300,000

Tax Paid Products From the Philippine Islands for the Month of August.

Products		——*August*—— *1931*	*1932*
Cigars (large)—			
Class A	No.	11,677,120	19,282,250
Class B	No.	93,430	17,483
Class C	No.	27,478	23,110
Class D	No.	560	500
Class E	No.	...	1,300
Total		11,798,588	19,324,643
Cigarettes (small)	No.	68,880	19,350
Tobacco, mfd.	Lbs.	108	27

Note: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Internal Revenue Collections for the Month of August.

Sources of Revenue	*1931*	*1932*
Cigars	$1,375,981.28	$1,082,909.84
Cigarettes	28,564,019.36	28,678,802.69
Snuff	505,243.83	504,297.07
Tobacco, chewing and smoking	5,176,530.27	5,130,909.71
Cigarette papers and tubes	161,955.92	104,448.67
Miscellaneous, relating to-bacco	47.00	339.38

MURIEL "BABIES" MEET WITH FAVOR

Think of it!... 3 genuine MURIELS, with all of MURIEL'S famous Havana flavor and fragrance, in a neat cellophane packet for a dime!... No wonder MURIEL "Babies" have scored a ten-strike with the smoker whose pocketbook demands economy but whose taste demands quality . . . Stock up this new cigar success... the top-counter sensation of 1932.

© P. Lorillard Co., Inc.

MURIEL PERFECTO... 2 for 25¢ size and quality, reduced to 10¢

"BEST OF THE BEST"

OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by **A. SANTAELLA & CO.**

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

THE CUBAN TOBACCO EXPORT MARKET

Exports of Cuban tobacco and tobacco products during July, 1932, showed a sharp increase in value over June and were not far below those of July, 1931, according to a report received in the Tobacco Division of the Department of Commerce from Commercial Attache Albert F. Nufer. July exports were valued at $1,342,933 as against $935,418 during the preceding month and $1,710,086 during July, 1931.

Cigar exports, which during the first six months of 1932 totaled only 3,390,184, increased in July to

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RETAIL STORE PROBLEMS

(*Continued from page 12*)

sored by the men's furnishing unit of a merchants' association and brought results which they felt could not have been accomplished individually.

Examination of Copy.—A group examination of all copy for publication is usually necessary. This makes possible a high ethical standard in the advertising matter. It has not been many years since publications contained much advertising of charlatans and quacks who had realized the commercial possibilities of publicity and were using it in dishonest ways. Much has been done recently to create more faith in what advertisements have to say, and in the retail field cooperation along this line can accomplish a great deal.

Not only must advertising copy be truthful, but it must make the right sort of appeal. The preparation of copy in some cases has been delegated to persons who are incompetent of telling the story, and the result was wasted effort. Especially among merchants in the smaller towns is there is an opportunity for better newspaper advertising. One of the chief reasons for people's trading away from home is said to be the fact that the advertising outside the community is better than the advertising of the local stores. In cooperative advertising there is every possibility for merchants to produce advertising which will not only attract, but which will truthfully tell the story, will reflect the character of the community, and will actually aid the public in its buying.

Circulation.—Circulation brings up no particular problems, for that matter is entirely in the hands of the newspaper. Such advertising reaches the reading public and remains before that public as long as the latter is interested in the news which the paper contains. Permeating the community and its contributing territories, suburban and rural, as it does, the newspaper attracts the attention of many potential customers who might be overlooked in a direct contact by mail and converts some of them into active buyers.

Expense.—In apportioning the expense it is usually true that charges are less than if individual advertisements were inserted. A need for economy, which all business has felt since the war has brought the desire to reduce advertising budgets. Cooperative retail advertising has proved that his can be accomplished without losing individual advertising effectiveness.

Adaptability.—If the advantages which can be derived from cooperative newspaper advertising were enumerated, it is believed that they would include all those aims toward which cooperative retail advertising is now working, with the additional advantage of being directed at a wide circulation. As has been stated, this wide circulation offers advantages to those businesses that desire to cultivate a possible potential market and to circularize with the least difficulty. For merchants in well-populated sections, use of the newspaper is well known as a factor in creating sales and building good will; for merchants in outlying sections who have not yet found it feasible to advertise singly, owing to a limited trade area, the use of the cooperative method may be pertinent to a solution of their problem of sales expansion.

There are numerous testimonials of the adaptability of newspaper advertising to cooperative retail campaigns. A retail credit men's association successfully emphasized by means of the newspaper that "Your credit is of value to you" and that "Failure to pay the grocer is similar to not paying the banker." A group of laundries in another community bought space to the value of $500 a week in the newspapers of that city with the object of bringing to the attention of the public their purpose to give better service and to bring about a more reasonable attitude in the matter of complaints. This was sufficiently effective to change the spirit toward laundries from one of prejudice to good will. In another city a number of bakers formed a unit to advertise cooperatively and thereby to increase the sale of bread. Use was made of several forms of advertising, but the backbone of the drive was the newspaper. A stimulation of sales was reported by all bakers. It is interesting to note that a cooperative newspaper advertisement did its share of the work recently in making straw-hat day most successful. A cooperative page, written in editorial style, aided the mayor's proclamation in opening the campaign. In spite of chilling weather, 15 per cent. of the city's male population changed headgear in a single day. Another instance has been noted where a men's clothing store group capitalized Father's Day by advertising cooperatively. These merchants felt that Father's Day was not a sufficiently important event to make it profitable to stage separate campaigns. By combining, however, and adopting the same slogan, "Give him a tie," their cooperative newspaper advertising campaign proved successful to all participating.

Direct-Mail Advertising

Direct-mail advertising is that which is delivered, either by mail or messenger, directly to the customer. The cooperative use of this medium requires the group approval of several points, namely, make-up, circulation, and frequency of issue. But this greater cooperative effort represents a very productive medium, one which will increase in value as merchants realize its possibilities.

Make-up.—The make-up of direct-mail advertising, as has been stated, may take the form of separate newspaper sheets, pamphlets, letters, circulars, or booklets. The separate newspaper sheets or "shopping news," as they are sometimes called, are similar in make-up and layout to that of a newspaper. They often have their news and editorial columns and are the same in general appearance as the newspaper, but on a much smaller scale. Neighborhood merchant groups, particularly, have used the shopping news advantageously. It is for them a convenient means of informing the neighborhood of all merchants and their locations in that locality. In most instances the potential markets of such neighborhood groups are small, concentrated districts. Consequently, advertising in a newspaper which covers the whole city may not serve the neighborhood merchant's purpose so well as that which, appearing in a shopping news or similar publication, covers only that part of the city's population which makes up his potential customers.

A form similar to the shopping news is the trade-extension paper. It is usually published monthly by local chambers of commerce, and its columns contain, in addition to the retail advertising, articles of particular interest to farmers and those who live in the near-by communities. An effort is made to see that it is mailed to those in adjacent territories who do not receive the local newspapers. In this way a new point of contact is made.

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NO FEWER SMOKERS SAYS REVIEW

DECLINE in consumption of popular cigarette brands, over the past year, does not indicate a permanent trend, but rather represents a growing number of smokers, who have been forced, temporarily, to adopt more economical forms of tobacco, according to the ninth annual review of the tobacco industry just issued by Chas. D. Barney & Company, members of the New York Stock Exchange.

"After viewing the fortunes of the tobacco world, during probably the most difficult year in its history," says the review, "there is still a basis for confidence in the ultimate prosperity of certain branches of the industry. While there has been a noticeable shifting from one form of tobacco to another, it is doubtful if there has been any actual loss in the number of smokers.

"To select the form, whose adoption will finally be the most general, is the problem of the investor in tobacco securities. The experience of the past decade seems to indicate the cigarette as the logical form to receive the greatest public favor. The appeal made by this product to the growing ranks of men and women smokers has probably been due, partly, to its convenience and cleanliness. More basic still is the fact that the cigarette has appeared to suit the general tempo of American life to a greater degree than any other form of tobacco.

"The 1931 results of the four leading cigarette companies again demonstrate the flexible character of this branch of the industry. An advance in the wholesale price of cigarettes from $6.40 to $6.85 per thousand at mid-year, along with a smaller manufacturing overhead, made profits possible for three of these large manufacturers. The fourth company, Liggett & Myers, registered only a minor recession in earnings.

"The slight decline in the consumption of the chief cigarette brands was counterbalanced, to some extent, by increased sales of smoking tobacco, of which each of the leading companies has important brands. In this elasticity has been, and still is, the great strength of the cigarette companies."

The net earnings of the four large cigarette companies, available for dividends, compare as follows for 1930 and 1931:

	1931	1930
American Tobacco Co.	$46,189,741	$43,294,769
R. J. Reynolds Tobacco Co..	36,396,814	34,256,664
Liggett & Myers Tobacco Co.	23,121,381	24,002,316
P. Lorillard Co.	4,846,373	3,614,363

The total earnings of the group increased 5 per cent. over 1930. The largest percentage increase for 1931 was registered by P. Lorillard Company, whose earnings advanced over 34 per cent. from the previous year.

Regarding the ten-cent cigarette, the review says: "Over the past three years stocks of leaf tobacco have mounted steadily, as a result of declining consumption of tobacco products and severe curtailment of export demand. In spite of such distress signals, American growers continued to oversupply the market with tremendous crops, especially of the bright leaf and burley types. Such a condition could only result in a serious decline in prices for the leaf. Stimulated by this decline, many of the large dealers and exporters, as well as many small manufacturers, accumulated quantities of cheap tobacco during the period at very low prices. The present ten-cent brands owe their existence to this condition.

"At the present writing, it is doubtful if such brands account for more than 5 per cent. of the total volume of cigarettes consumed. It is conceivable, nevertheless, that, under existing conditions, this volume might increase to a larger percentage. It may be concluded that, even should popularity of the cheaper brands increase further, such popularity is logically, and even necessarily, limited to the duration of low public spending power and cheap leaf tobacco. From this viewpoint, therefore, whatever effects the adoption of such brands may have on the general trade, should be regarded as temporary, and subject to reversal under improved conditions."

TOBACCO SALES HEAVY

THE United States Department of Agriculture reported last week that sales on the Darlington, S. C., market were fairly heavy, and medium to common quality leaf predominated. A fair percentage of lugs and better quality leaf was included.

At Florence, S. C., tobacco average prices were: Lemon leaf, B3L, $28.80; B4L, $22.20; B5L, $15.90; B6L, $10.30. Orange leaf, B3F, $26.20; B4F, $19.50; B5F, $12.50; B6F, $6.70; B7F, $3. Lemon lugs, X3F, $11.80; X4F, $6.60.

Prices were irregular with increases on some grades and declines on some grades, as compared with the previous day's sales. As a whole, average prices compared favorably.

At Raleigh, N. C., average tobacco prices were: Lemon leaf, B4L, $21.50; B5L, $15; B6L, $10.70. Lemon lugs, X1L, $20.90; X2L, $16.90; X3L, $12.20; X4L, $9.40. Priming lugs, X1LP, $17.80; X2LP, $14.20; X3LP, $11.60.

Sales lasted until 4 P. M. at Farmville, offerings chiefly medium to common in quality, with a predominance of fifth and sixth quality leaf and third and fourth quality lugs. A majority of the leaf grades was on the orange side, while lemon side predominated the cutter and lug grades.

Sales were heavy at Smithfield, but included a smaller percentage of the better leaf and cutter grades. Offerings were principally of medium and fair quality leaf, orange side predominating.

CREDITOR CLAIMS CIGAR ASSETS HIDDEN

Last week Mortimer Hayes, appearing for several landlords, caused a stir at a meeting of creditors of the United Cigar Stores Company of America when he expressed the belief that the bankruptcy proceeding was fraudulent. Hayes said he desired to bring to light assets which had not been declared and which would "benefit the estate to the extent of several millions of dollars."

His announcement was met with vigorous objection, and Referee Irwin Kirtz refused to permit him to proceed until he should have appeared fully in the proceedings and acknowledge the jurisdiction of the bankruptcy court. Several persons present said there wasn't any ground for Hayes' assertion.

It was brought out that United Cigar Stores operated through 1100 agents and that 1931 sales through the agents had amounted to approximately $10,500,000. The agents retained 25 per cent. of the sale price for themselves and paid a service charge. In 1931 the receipts from the agents were said to have represented "a small loss."

MAGAZINE ADVERTISING OF TOBACCO SHOWS DECLINE DURING SEPTEMBER

EXPENDITURES by the tobacco industry for advertising in September national magazines and farm magazines amounted to $424,246, a decline of 23.2 per cent. from the total of $552,259 expended during the same month a year ago. National magazines accounted for $393,046 of this amount, a decline of 24.2 per cent., while farm magazines accounted for $31,200, a decline of 7.9 per cent. Of the total in national magazines, $289,189 was spent for cigarettes, $19,300 for cigars, and $84,557 for manufactured tobacco and smokers' supplies, according to figures compiled from national advertising records by the business survey department of Dorrance, Sullivan & Company, New York, advertising agents.

The expenditure of $4,658,695 by the tobacco industry for these two media during the first three-quarters of the year represents an increase of 2.3 per cent. over the corresponding period of 1931. National magazines were ahead 1.5 per cent. with $4,328,795, and farm magazines were ahead 13.1 per cent. with $329,900.

Radio advertising over national networks during August showed a recession of 17.6 per cent. with a total of $384,650 as compared to $467,123 in August, 1931, but this was counter to the trend for the first eight months of the year, during which the expenditure was $4,773,013, a gain of 49.6 per cent. over the same months last year.

TOBACCO CONSUMPTION IN CANADA DECREASES

Statistics released by Commissioner of Excise, Department of National Revenue, Ottawa, indicate that tobacco consumption in Canada is at present on a lower scale than at the same period of last year, states American Consul Julian F. Harrington in a report released by the Tobacco Division of the Department of Commerce. The number of cigarettes entered for consumption in June, 1932, was only 376,779,975 as compared with 430,170 in the same month of last year.

For the first six months of the current calendar year *cigarettes* entered for consumption totaled 1,823,037,469 while the corresponding total in 1931 was 2,191,925,740. The consumption of *large cigarettes* also fell off from 461,170 in the first semester of 1931 to 316,750 in the same period of this year. *Plug tobacco* entered for consumption in the first half of the current calendar year totaled 2,388,408 pounds as compared with 2,713,639 pounds in the corresponding six months of last year. *Cigar consumption* also declined in the six-month period from 65,126,151 in 1931 to 58,923,713 in the first half of 1932. *Foreign leaf* tobacco entered for consumption in the first half of 1931 totaled 7,577,213 pounds compared with 6,444,207 pounds during the first half of the present year. The consumption of *cut tobacco,* however, appears to have increased during the current year. The amount entered for consumption increased from 7,811,663 pounds in the first half of 1931 to 8,421,463 pounds in the same period of the current calendar year.

PRICE LISTS AND CATALOGUES WANTED

Francis M. Sack, secretary of the Cigar Manufacturers Association of Tampa, Fla., advises that he would like to have on file in his office catalogs and price lists from manufacturers and suppliers of products used in the cigar industry, so that they may be consulted readily as the need arises.

JUMP IN NICKEL CIGARS PREDICTED

AN INCREASE in the rapidly mounting percentage of nickel cigars smoked in the United States is anticipated in tobacco circles as a result of a price announcement just made by one of the firms manufacturing a most popular five-cent brand.

According to the announcement of the American Tobacco Company, this will make possible the retailing of "Cremo's" at "five cents straight or three for ten cents." No change whatever has been made in the quality or size of this well-known product.

This announcement, it is believed, will have the same invigorating stimulus on cigar consumption as that achieved by the recent offering by cigarette manufacturers of "flat fifties" at lowered prices.

The last few years have witnessed a steady increase in the percentage of nickel cigars smoked. During the year 1929 gains brought this percentage to over half the total output. The next year five-centers constituted over 60 per cent., and according to recent figures of the Bureau of Internal Revenue, Class A cigars, as the five-cent smoke is officially known, comprised 81 per cent. of the total cigars smoked during the month of July.

News from Congress

(Continued from page 8)

The new rates, now in effect, are as follows: First and second zones, 8 cents for the first pound or fraction thereof and 1.1 cents for each additional pound or fraction thereof; third zone, 9 cents and 2 cents, respectively; fourth zone, 10 cents and 3.5 cents; fifth zone, 11 cents and 5.3 cents; sixth zone, 12 cents and 7 cents; seventh zone, 14 cents and 9 cents; eighth zone, 15 cents and 11 cents.

KREUGER CREDITORS MUST FILE PROOF

Holders of debentures of the International Match Corporation or other creditors of the bankrupt Kreuger Holding Company must file proofs of claim before October 19th to insure participation in dividend which it is believed will be "considerable," Oscar W. Ehrhorn, Federal referee in bankruptcy, announced in New York last week.

The referee pointed out that a large number of holders of International Match bonds inhabited farspread rural and agricultural districts and said he believed many were unaware that they must either file proofs of claim with the referee or deposit their bonds with one of the protective bondholders' committees if they wished to secure real protection.

MEXICAN PRODUCTION AT LOW EBB

Cigar manufacturing in the Guadalajara consular district is at a low ebb, though 100,000 cigars were produced in the two quarters of 1932. There are two factories in the district, equipped with machinery to produce 4000 cigars daily. The tobacco used in this industry comes mainly from the State of Vera Cruz, with occasional small importations of wrappers of Sumatra tobacco. Cigarette manufacturing is at a standstill in the district.—(American Consul Raleigh A. Gibson.)

THE TOBACCO SITUATION IN CHINA

Cigarette Consumption

ACCORDING to a report received in the Tobacco Division of the Department of Commerce from Assistant Commercial Attache A. Bland Calder, the estimated consumption of cigarettes in China in 1931 was about 75.7 billions compared with 70.0 billions in 1930. The increase in cigarette consumption in China during the past thirty years has been phenomenal, rising from 300 millions in 1900 to 7.5 billions in 1910, and to 22.5 billions in 1920. Thus, in view of past expansion, Mr. Calder believes that a 10 per cent. increase each year under current conditions in China appears but a normal expectancy, despite bad conditions in various parts of the interior where, owing to the hindrance of banditry and generally disorganized conditions, certain whole provinces are now consuming only half the quantity of ten years ago.

There are great areas in the back country, as yet unexploited, almost inaccessible for intensive distribution and sales effort, due to poor and costly transportation alone, banditry being but a secondary deterrent. There are no official statistics showing the consumption of cigarettes in China but the foregoing estimates are based upon the tax-paid production of Shanghai which is reported to be 60 per cent. of the whole country. The taxed production of Shanghai in 1931 amounted to 41.6 billions; upon this basis the taxed production of all China would be 69.3 billions. Imports into China accounted for 2.9 billions, and it is believed that a few were smuggled in. At any rate, the consumption figures are of considerable interest to American leaf growers and exporters, as long as China offers promise of a steadily expanding outlet for American tobacco. Cigarette production in Shanghai for the first four months of 1932 was as follows:

	Taxed Production Shanghai Factories Pieces	Net Imports into Shanghai Pieces
January	3,961,605,000	8,860,500
February	2,878,565,000	12,425,500
March	4,609,765,000	—34,390,000**
April	2,779,990,000	15,177,500
	14,229,925,000	2,073,500

** Exports exceeded imports by 34,390,000 pieces.

The large production in March represents a rush to put goods on the market at the old low tax rate prior to March 21st when a new tax of Mex. $55 per case went into effect on law-grade cigarettes. Imports of cigarettes for the first five months of 1932 into all China, net, after deduction of these re-exported, totaled 266,391,500 pieces.

The Leaf Market

The past nine months have been an exceedingly difficult period for leaf traders, in that falling prices on the American market have made it impossible to realize a profit on the considerable stocks of old crop American leaf on hand in Shanghai. In fact, it has been necessary to move some of this stock at heavy loss to the suppliers because of the low levels to which prices for the 1931 crop dropped in the United States. Owing to the paramount importance (in the eyes of the Chinese cigarette manufacturer) of color, no decent offers could be secured from them for the stocks of 1930 and 1929 or older tobacco on hand in Shanghai warehouses. Much of that leaf was moved at one-third to one-half its original delivered cost, and because color had deteriorated, a good deal of it went into the very cheapest brands of cigarettes turned out by the Chinese factories for the low-class coolie trade. This, in spite of the fact that, as far as flavor was concerned, the tobacco was of better quality than some of the new crop leaf going into higher priced brands of cigarettes, unfortunately, there is still some quantity of the old crop leaf on hand, possibly 8000 hogsheads. It moves slowly and holders, reluctant to sell with the heavy loss involved, are encouraged by current reports from the home market which seem to indicate the possibility of a higher priced market this coming season.

Credit conditions are worse, with the local factories making increasingly insistent demands for longer time, while manifesting less and less respect for contract obligations. The big question mark which in many cases describes the credit status of a cigarette manufacturing enterprise, coupled with the unorganized state of the American leaf houses doing business in China, make for an unhealthy sort of competitive scramble for business. This situation places the leaf supplier at an extreme disadvantage. Until the American leaf suppliers operating in China can organize in such a way as to adopt a uniform policy for the extension of credit, the condition appears bound to grow worse. The fact that China grown leaf on the Shanghai market is handled strictly on a cash basis is in queer contrast to the manner of handling American leaf sales whereby buyers, in many cases with doubtful credit status, under compradores' guarantees (often not too good a protection), are successful in securing

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Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

POPINJAY:—46,079. For smoking products. September 14, 1932. Canadian Tobacco Co., Fall River, Mass.

F. C. N.:—46,081. For all tobacco products. August 20, 1932. D. Emil Klein Co., Inc., New York, N. Y.

NEWLOG:—46,082. For cigars. September 15, 1932. David E. Newman, Manchester, Conn.

TRANSFERS

RUY VESTA:—29,594 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered December 12, 1913, by Hilbronner & Jacobs, Philadelphia, Pa. Through mesne transfers acquired by Garcia Grande Cigars, Inc., New York, N. Y., August 10, 1932.

CLAY MONTAGUE:—40,606 (T. M. A.) For cigars, cigarettes, cheroots and tobacco. Registered April 22, 1918, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Through mesne transfers acquired by Walter E. Olsen & Co., and transferred by "El Oriente" Fabrica De Tabacos, Inc., successors, to Karl O. Nesslinger, New York, N. Y., July 9, 1932.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

The make-up of other group-advertising forms for use by mail—pamphlets, booklets, circulars and letters—is as unlimited in variety as one's ingenuity. Its particular form is a matter which comes under the supervision of a committee appointed by the merchants concerned.

(To be continued)

CUBAN EXPORT MARKET

(*Continued from Page 13*)

2,228,381, or over 53 per cent. of the amount shipped in July, 1931. This indicates that Habana cigar manufacturers are making good headway in the production of their cigars at interior points whence many of them moved in view of the apparent impossibility of satisfactorily settling the Habana cigarmakers' strike. *July exports* as reported by the National Tobacco Defense Commission were divided as follows:

	—*July*—	
	1931	*1932*
Leaf Tobacco (pounds)	2,724,429	*7,121,328
Cigars (number)	4,159,848	2,228,381
Cigarettes (number)	7,003,464	4,612,728
Smoking Tobacco (pounds)	13,076	13,437

*Including 4,573,313 pounds of low-grade filler leaf tobacco shipped to Spain as part of a purchase made a few months ago by the Spanish Tobacco Monopoly.

THE SITUATION IN CHINA

(*Continued from Page 17*)

extension of credit of anywhere from thirty to 120 days. This means that many shakily founded and poorly conducted manufacturing outfits without even sufficient business ability to be able to figure their own production costs, are virtually operating in part with American capital supplied in the form of long credits on leaf sales. The adoption of a uniform set of practices and a simple program of co-operation by the leaf suppliers would decrease risks, increase profits, and improve their general position in the leaf trade; moreover, such a program would contribute materially toward establishing the Chinese cigarette manufacturing industry on a more secure and businesslike foundation.

The better class factories appear to be making profits and some two or three of them are either moving into better quarters or are introducing renovations and improvements in their establishments. August is a period of slack production activity normally, due to the summer humidity which causes cigarettes to mould and spoil readily, hence production is held down to prevent overstocks piling up in dealers' hands. Full activity is generally resumed by September. Aside from the large foreign (non-Chinese) cigarette manufacturers and distributors supplying upwards of 60 per cent. of the Chinese market demand, there are now operating in the Shanghai district fifty-eight Chinese manufacturers of which only thirty-three produce more than 100 cases of 50,000 cigarettes per month; only twenty-three produce more than 200; only fifteen produce more than 500, and only seven produce more than 1000 cases per month each.

The Chinese Crop

The final outturn of last year's Shantung crop cannot be accurately estimated as farmers withheld some of the leaf from the market along toward the end of the season, being dissatisfied with prices offered. Their experience in the previous marketing season was such that they realized better prices along toward the close than at the opening, and when this situation did not materialize during the marketing of the 1931 crop, some of the farmers preferred not to sell. Shantung production as closely as can be estimated was probably in the neighborhood of 55,000,000 pounds. Quality was generally good. Honan estimates are equally difficult, but people familiar with the market rate the Hsuchow district crop at around 30,000,000 pounds in 1931, quality being comparatively poor. The Anhwei crop, owing to the floods, was probably not over 1,000,000 pounds. A crop of 86,000,000 pounds, therefore, may be considered roughly as the probable maximum production in China (excluding Manchuria) in 1931, a figure far below estimates made early in the growing season last year when 80 to 100,000,000 pounds were being forecast for Shantung and 50 to 60,000,00 pounds for Honan.

Growing conditions of the 1932 crop are reported as favorable but the acreage in *Shantung* is lower, probably to the extent of 15 per cent. The lower acreage is due to the fact that farmers received lower prices than they anticipated, especially toward the end of the marketing season last year. Some small quantities of leaf withheld from the market from last year's crop will undoubtedly be offered this season. Such news as is available on the *Honan* crop indicates a better quality in 1932 and a total possible yield of between 20 and 25,000,000 pounds, or 5 to 10,000,000 pounds below last year. The drop is due to decreased acreage, the farmers having failed to realize a good return on their last year's crop.

OCTOBER 15, 1932

VOLUME 52 No. 20

THE TOBACCO WORLD

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MURIEL *"BABIES"* **MEET WITH FAVOR**

Think of it!... 3 genuine MURIELS, with all of MURIEL'S famous Havana flavor and fragrance, in a neat cellophane packet for a dime!... No wonder MURIEL "Babies" have scored a ten-strike with the smoker whose pocketbook demands economy but whose taste demands quality . . . Stock up this new cigar success... the top-counter sensation of 1932.

3 FOR 10¢

© P. Lorillard Co., Inc.

MURIEL PERFECTO . . . 2 for 25¢ size and quality, reduced to 10¢

automatic
machines offer
A NEW RETAIL OUTLET
for
TOBACCO PRODUCTS

Get all the facts now on automatic merchandizing.

Write for a sample copy

THE AUTOMATIC AGE
2810 S. Michigan Avenue
Chicago Illinois

"BEST OF THE BEST"

OPTIMO CIGARS — VERY MILD — VERY MILD

Manufactured by **A. SANTAELLA & CO.**
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

The Best Displayed Cigars Are Always Packed In

★ ★

WOODEN BOXES

★ ★

Look at any cigar store show case or window and you will find that most of the cigars on display are packed in Wooden Boxes.

—One reason for this is that the wise manufacturer knows that a box made of seasoned wood is of distinctive advantage to his cigars and adds flavor to them as they "Ripen In the Wood".

—Another, that critical cigar smokers insist that their favorite brand be packed this way to retain its mellow fragrance.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52 **THE TOBACCO WORLD** Number 20

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year PHILADELPHIA, OCTOBER 15, 1932 Foreign $3.50

DUYS ENDEAVORING TO HALT CIGAR DECLINE

JOHN H. DUYS, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, has become thoroughly aroused over the discouraging continuance of decline in cigar consumption and has sent a letter to members of the association in which he calls attention to the production figures for the present calendar year and announces his intention to call a meeting of manufacturers to discuss ways and means of preventing further decline, and of increasing cigar consumption. The letter reads as follows:

"It is my duty to call your attention to the considerable decline in cigar production in this country.

"For the first eight months of the present calendar year, the total production was: 2,927,000,000 and with an estimated production of: 1,600,000,000 for the next four months of this year, it will bring the total production up to: 4,500,000,000.

"From this amount must be deducted: 500,000,000 for small cigars, cheroots, stogies, etc., etc., which makes the estimated production of cigars for the year 1932: 4,000,000,000.

"This constant decline in cigar production is very serious, and I would like to call a meeting of cigar manufacturers some time this month, to consider the question as to whether or not some ways and means can be found to correct this deplorable situation. I feel that we cannot stand by without making some effort to find a solution.

"After a thorough canvas of the leading cigar manufacturers, I find that it is not feasible today to raise a large fund for a co-operative promotion and advertising campaign. I feel that amongst the manufacturers who will attend this meeting, there may be someone who will have ideas which will prove practical. A committee will be appointed at this meeting in order to work out some plan satisfactory to the majority of the members present.

"It has been suggested that in all individual cigar advertising, some slogan should be adopted to catch new smokers. It has also been proposed to put up posters in all retail channels, cigar stores and above cigar counters, boosting cigars.

"I am enclosing a self-addressed postcard, which please sign and mail back to me at your earliest convenience. Remember, this is a matter of vital importance, therefore please let me have your co-operation."

NEW BRAND FOR STEPHANO BROTHERS

A NEW ten-cent cigarette brand, manufactured by Stephano Brothers, manufacturers of the well-known "Rameses" cigarette, has made its appearance on the local market and is being featured in all branches of the American Stores Company.

The cigarettes are in packages of twenty, cellophane wrapped, and are already enjoying a good sale at the popular ten-cent price.

PUERTO RICO LOSS MAY NOT PROVE SERIOUS

A letter was received from Trade Commissioner J. R. McKey at San Juan on October 4th, giving further information with regard to the hurricane in Puerto Rico. Excerpts from the letter are as follows: "In some respects the general situation is better than it was in 1928. The region affected is smaller, and the damage in this small region is greater. Results following the 1928 storm might well apply to the situation today in the northern half of Puerto Rico. The storm of 1928 hit an inflated Puerto Rico and deflated it painfully but thoroughly. The result was that the island, already down to solid earth and with its belt tightened, did not feel the effects of the depression of 1929-32 to the extent that it was felt by other places of similar character. Because the community has not been flying high, has balanced its budget and has been living within means, it is, I believe, in a better condition to withstand disaster. Tobacco seed beds are reported to have been pretty generally destroyed. Considering the fact that much of the crop of the spring of 1931 remains unsold, this loss may not be considered a very serious one.

AXTON-FISHER WOULD FORM SUBSIDIARY

The Axton-Fisher Tobacco Company, Louisville, Ky., manufacturers of "Spud," "Clown," "Twenty Grand," and other popular brands, has sent a letter to stockholders asking their consent to form a subsidiary company to engage in the leaf tobacco business. The letter reads as follows:

"On account of an unprecedented increase in our business . . . the outlay of cash for revenue stamps and funds sufficient to carry necessary stocks of leaf tobacco has been unusually large. To insure ourselves of a sufficient supply of tobacco it has been found desirable to organize another corporation to purchase and carry for this company enough tobacco to take care of our manufacturing requirements. All of the stock of that corporation will be owned by this company.

"Before we can do this, however, it is necessary to amend our articles of incorporation so as to permit this company to own stock in other corporations. We therefore ask your consent to so amend the articles."

PHILADELPHIA PRODUCES 15% OF CIGARS

IN a radio talk given by Rush T. Touton, technical director of Bayuk Cigars, Incorporated, under the auspices of the Philadelphia Chamber of Commerce, Mr. Touton stated that 15 per cent. of the country's cigar production is centered in Philadelphia.

Continuing he said that "The Port of Philadelphia and excellent railroad facilities expedite the shipments of imported Havana and Sumatra leafs and of the domestic types of tobacco. An ample supply of intelligent labor required for modern machine manufacture is available.

"Under these favorable conditions, it is no longer necessary to operate a number of widely separated small plants. Concentration into large units is characteristic of the modern industrial system in its most satisfactory form. The number of employees is not materially lessened, nor is the wage scale decreased."

LITTLE CHANGE IN CUBAN SITUATION

There was little change in the tobacco situation during September. A fair demand existed for new crop Vuelta Abajo tobacco, but reports from other growing sections indicate very little movement. Exports of tobacco and tobacco products during August were valued at $1,196,501 as against $1,665,574 for August, 1931. August cigar exports, as a result of the settlement of the cigarmakers' strike, were almost back to 1931 levels and were larger than the total for the first six months of this year. According to figures released by the National Tobacco Defence Commission, the 1932 Cuban tobacco crop will amount to only 254,154 bales, or 34,692,957 pounds, a drop of 56.8 per cent. compared with 1931 when the crop amounted to 587,939 bales, or 80,670,039 pounds. The largest drop in production occurred in the Semi-Vuelta zone, which produced only 988,627 pounds, a crop 78 per cent. below that of 1931. The declines in the other zones compared with 1931 are Vuelta Abajo, 55 per cent.; Partido, 32.6 per cent.; Remedios, 58.3 per cent., and Oriente, 42.4 per cent. Production of the other zones in pounds was as follows: Vuelta Abajo, 10,503,707; Partido, 1,004,160; Remedios, 19,386,231; Oriente, 2,810,232. Out of 1,099,357,885 plants set, 708,501,885 were in the Remedios zone, and 300,670,300 in the Vuelta Abajo zone.—*American Commercial Attache Albert F. Nufer.*

GENERAL CIGAR DIVIDEND

Directors of the General Cigar Company have declared the regular quarterly dividend of $1 a share on the common stock of the company payable November 1st.

The General Cigar Company has also called for retirement on December 1st, all of the $2,800,000 of 6 per cent. notes which would mature $700,000 on December 1st of each of the next four years.

CANADA TAX HITS UNITED STATES

Tobacco and cigarettes from the United Kingdom have a decided advantage over United States products under the new tariff schedule announced on Wednesday.

The rates on cigarettes have been $4.10 and 25 per cent.

That duty remains so far as the United States products are concerned, but the British product will be taxed only $3.50 and 25 per cent. per pound. Cut tobacco from the United Kingdom will pay 80 cents a pound and from the United States 95 cents.

"CHESTERFIELD" HERALDS THE STYLES

ON Fifth Avenue, New York, America's Street of Fashion, "Chesterfield" has been staging a snappy fashion preview of its own.

In the window of the A. Schulte store, where Forty-second Streets meets Fifth Avenue, three young ladies display some advance fall lines . . . and the reproductions have all the "dash" of living models as they seem to walk toward you out of the window, their figures erect and smart in the new military vogue. From a hidden source colored lights play on the figures with rapid changes, showing them off in the new fall shades of wine-red, orange and green.

The background setting, in a color scheme of black and silver blue, is of modern simplicity. A wide band of white catches the attention at the upper right-hand corner and sweeps the eye toward the models. In black lettering near the picture one reads "Paris for Style," "'Chesterfield' for Taste." And as good style never fails to attract, especially when presented in such a fresh setting, New Yorkers find it easy to give a second glance, or a third, at "the cigarette that's milder, that tastes better."

COCA-COLA SUIT AGAIN DELAYED

The amended complaints in four suits for $10,000,000 damages, filed against the Coca-Cola Company, were dismissed on Tuesday by Justice Hatting of the Supreme Court, who ruled that the complaints were "insufficient in law." The actions were brought by the Pepsi-Cola Company; Loft, Incorporated; Happiness Candy Stores, Incorporated, and Mirror, Incorporated.

The original complaints of these plaintiffs were dismissed sometime ago on the same grounds. As in first dismissal, the Court gave the plaintiffs ten days in which to file another complaint, which will be a second amended complaint.

PUERTO RICO SEED BEDS DESTROYED

Recent reports from Puerto Rico state that the recent hurricane which devastated the island destroyed practically all tobacco seed beds which were planted on the island, and as a result there will be no facilities for producing any tobacco crop on the island this season. No definite report has been made as to the amount of damage done to tobacco in storage there.

ACKER, MERRALL & CONDIT SCHEDULE

Acker, Merrall & Condit Company, old established grocery and tobacco distributing house, at Fifty-seventh Street and Eighth Avenue, New York City, which consented to receivership action on September 1st, filed a schedule in the United States District Court this week listing assets of $196,571, including fixtures, $117,059 and stock $35,530, and liabilities of $73,927. The United States Government claims $23,109 in payment of taxes, the claim being disputed by the corporation.

OWL DRUG PLANS REORGANIZATION

A reorganization of the Owl Drug Company, huge west coast chain with stores in Oregon, Washington, Utah and California, is expected to be undertaken shortly, it was announced on Tuesday.

The Nevada Bank and Trust Company, of Reno, was appointed receiver of the corporation in Carson City, Nevada, on Monday, after the concern had filed a voluntary petition in bankruptcy.

The Owl Drug Company is controlled by Drug, Incorporated.

NEVER PARCHED — NEVER TOASTED

CAMELS are always FRESH!

SWITCH to Camels and learn the mildness of a fresh, cool-burning cigarette. A blend of choice Turkish and mellow, sun-ripened Domestic tobaccos, Camels are never parched or toasted. That's why we say smoke them for one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY, *Winston-Salem, N. C.*

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.

BAYUK SALESMAN DIES

J. C. LINDER, associated with the sales department of Bayuk Cigars, Incorporated, passed away at a hospital in this city on Wednesday, October 5th, following an operation. He had been in ill health for several weeks and had been in the hospital under observation.

He was formerly associated with the Reed Tobacco Company, of Milton, Pa., and had been associated with Bayuk Cigars, Incorporated, for four years.

Funeral services were held on Saturday, October 8th, at Milton, Pa.

He is survived by his widow, Ida G., and a daughter, Isabel. He was in his forty-ninth year.

NEW WANAMAKER SMOKE SHOP OPENS

The new Wanamaker smoke shop in the new men's store, which was opened on October 12th, is proving very successful under the management of A. L. Peters, who was formerly associated with the D. Emil Klein Company.

Only brands bearing the "John Wanamaker" label are featured and these are shown in the finest shapes and sizes. The shop is beautifully finished in beechwood with the most modern show cases and fixtures.

One feature of the smoke shop is a tobacco blending department where smoking mixtures are blended to order with your favorite tobaccos.

Another feature of the ship is a handsome solid cedar humidor in which the stock of cigars and tobaccos is kept.

Harold Christian, factory representative of the Congress Cigar Company, distributed here through the Frings Brothers Company, covers a lot of territory in his travels in the interest of "La Palina," and he reports that conditions are definitely better than they have been for a long time and "La Palina" sales are increasing.

Bayuk Cigars, Incorporated, are distributing a non-agitating age-a-tator, which consists of six columns of figures and by adding together the figures at the top of each column in which your age appears, the sum will be your age. An inscription at the bottom of the age-a-tator states: "To add to your own smoke-enjoyment, get back of a Bayuk—It's Ripe Tobacco Cigar," and bears the signature of Frank Trufax.

"AS YOU LIKE IT" IN NEW YORK

THE "As You Like It" cigar, formerly the property of Godfrey S. Mahn, but later acquired by Yahn & McDonnell, distributors of high-grade cigars and tobacco products, has been introduced to the New York and Newark market and is being well received.

The B. Wasserman Company is the New York distributors of the brand, and Schwartz & Sons in Newark. The brand was always a favorite in Philadelphia with the high grade smokers, and is Havana filled with a Shadegrown wrapper. It is being kept out of the hands of price cutters.

Trade Notes

Joseph Martin, of Nicholas Company, Limited, distributors, of 98 Wall Street, New York City, was in town this week visiting the trade and renewing acquaintances.

Recent visitors in town include N. E. Nichols, of the "Belinda" factory, and John L. McGuerty, of the "Romeo y Julieta" factory. These two brands are rapidly forging ahead in the imported cigar field.

I. B. White, manager of the cigar department for John Wagner & Sons, reports that that concern has recently acquired the distribution for Philadelphia territory on such well-known brands as "Romeo y Julieta," "Por Larranga," "H Upmann," "El Blason" and "Punch," all of which are manufactured in Cuba and imported direct by John Wagner & Sons.

"Briggs" smoking tobacco, product of the P. Lorillard Company, and distributed here by Yahn & McDonnell, has been making splendid headway since the brand was introduced to this market. The brand is a high-grade smoking mixture retailing at fifteen cents, and is not being placed in the hands of price cutters.

"Briggs" is gradually being introduced to other markets in various parts of the country and is being well received.

ERIC THE RED

"Nature in the Raw"—as portrayed by Harland Frazer ... inspired by that marauding Viking chieftain whose vandalism branded him as the "Terror of the North" (975-1000 A. D.). "Nature in the Raw is Seldom Mild"—and raw tobaccos have no place in cigarettes.

Copr., 1932, The American Tobacco Co.

No raw tobaccos in Luckies —that's why they're so mild

WE buy the finest, the very finest tobaccos in all the world—but that does not explain why folks everywhere regard Lucky Strike as the mildest cigarette. The fact is, we never overlook the truth that "Nature in the Raw is Seldom Mild"—so these fine tobaccos, after proper aging and mellowing, are then given the benefit of that Lucky Strike purifying process, described by the words —"It's toasted". That's why folks in every city, town and hamlet say that Luckies are such mild cigarettes.

"It's toasted"

That package of mild Luckies

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

HOLDING that enforcement of the anti-trust laws is even more important during a period of depression than in normal times, Senator William H. King (Democrat) of Utah, has called upon the Department of Justice for prompt action in curbing "existing" monopolies.

"Unless we permit the law of supply and demand and the natural laws of trade and commerce to have free operation, we are going to increase the demand for socialistic control," the Senator warned. "If business men were wise, they would prefer reasonable competition."

Unless free competition is maintained, he continued, "though the American people are not socialistic, they will demand irresistibly that the Government take over and operate, or control, the key industries as well as other important industries of the country."

The Utah Senator is chairman of a special subcommittee in charge of anti-trust legislation and intends to bring in a number of measures dealing with the subject at the December session of Congress. These bills, he declared, will be intended to restore the laws to their full force so as to give a proper interpretation of the original statutes.

The courts, he said, have partly weakened the anti-trust laws by insertion of the words "reasonable" and "unreasonable" in referring to restrictions of competition. "The law should be modified," he declared, "to further restrict the interpretation given by the courts as to what is 'reasonable' and what is 'unreasonable.'"

Lack of proper book records as a major contributing cause of business failures is established by a recent study of bankruptcies in New Jersey by the Department of Commerce.

More than one-half of a large number of bankrupt businesses were found to have been conducted without adequate book records of their transactions, it is declared in a report on the investigation just made public, 23.5 per cent. of all the concerns keeping no books whatever and an additional 29.4 per cent. having records insufficient to supply the information necessary for sound management.

Analysis of the data secured showed that nearly 60 per cent. of the contracting firms which failed were without adequate book records, while among retail merchants 20.6 per cent. were found to be without any books, 32.4 per cent. with inadequate records and only 47 per cent. with adequate bookkeeping systems. Wholesalers, in general, were found to be the most thorough in the keeping of records, 84.6 per cent. of those examined having adequate systems.

Closely allied to faulty records as a cause of business failure was neglect to keep check of stock, the department found, 39 per cent. of the insolvents admitting that they never took an inventory. By classes, this group included 64 per cent. of the contractors, 40 per cent. of the wholesalers, 31 per cent. of the retailers and 29 per cent. of the manufacturers.

The calling of an extra session of Congress within six weeks after inauguration next spring in the event that Governor Franklin D. Roosevelt wins the Presidential election is anticipated in Washington as his campaign progresses and an opportunity is given to study the stand he is taking upon various economic questions.

His farm program seems to contemplate something in the nature of the old-time McNary-Haugen equalization fee plan, although he holds that the mechanism of the scheme must be such as not to offend our European customers. He suggests reorganization of the Department of Agriculture to provide for national planning for agriculture, and advocates leadership looking to a universal reduction of taxation in the United States.

Governor Roosevelt would revise the tariff as a means of bringing about, through governmental effort, a substantial reduction in the difference between the prices of things the farmer sells and the things he buys. This is interpreted as meaning a reduction of the industrial duties in the Hawley-Smoot tariff law. He proposes revision of the national banking laws.

These and many other features of his program would compel Governor Roosevelt, as President, to call Congress immediately into session to make his plans effective as soon as possible, it is believed.

Problems affecting the international exchange of commodities and economic questions which have arisen during the depression period will be discussed this fall with other interested nations by the United States.

That the Government will take part in the world economic conference, to be held under the auspices of

(Continued on page 15)

Clicking

4000 MILES For Better Taste

Aromatic Turkish tobaccos, the best kinds, are used to season Chesterfields and make them taste better.

To make sure that Chesterfield is a milder cigarette, the greater part of 90 million dollars is invested in the tobaccos used in the Chesterfield blend.

Three big factories turn out millions of Chesterfields every day. They reach you just as fresh as if you went by the factory door.

CHESTERFIELDS are Clicking with Millions

PARIS for Fashion
CHESTERFIELDS for Better Taste

Chesterfield

© 1932, LIGGETT & MYERS TOBACCO CO.

Trade Notes

Mr. Sommerfeld, of the F. W. Sommerfeld Cigar Company, Miami, Fla., was a visitor at John Wagner & Sons' headquarters on Tuesday.

N. Rice, of the N. Rice Cigar Company, Pittsburgh, Pa., was a recent visitor at Bayuk Cigars, Incorporated, headquarters.

Hoffstetter Brothers, Columbus, Ohio, distributors of Bayuk cigars, were aided by F. J. Horning, Bayuk salesman, in a recent campaign on "It's Ripe Tobacco Cigars" in that territory.

The "Monticello" brand, which is a controlled brand of John Wagner & Sons, made in the finer sizes and of the highest quality of tobaccos, is making good headway in the club and first class hotel trade here.

O. C. Taylor, Burlington, Vt., was recently added to the list of Bayuk distributors, and instituted a campaign, with the assistance of W. R. Wilsford, Bayuk factory man, with splendid results.

At Yahn & McDonnell headquarters, orders are continuing to pour in for the new "Corona" cigar faster than the demand can be supplied as only limited shipments are as yet being made from the new factory at Trenton.

Wagner & Shurendorf, Logansport, Ind., are forging ahead in the sale of Bayuk cigars in the district they are entrusted with for distribution of Bayuk brands. In a recent campaign their efforts were augmented by F. H. Stutz, Bayuk salesman.

Harry W. Boston was a visitor here last week among the retailers and distributors, representing the National Briar Pipe Company, Incorporated, of Jersey City. Mr. Boston carried a fine display of his lines of pipes ranging in price from twenty-five cents to $1, and which are having a nice sale at these popular prices.

The Barrow-Penn Company, Roanoke, Va., are keeping Bayuk cigars to the forefront in their territory. They recently were assisted by G. L. Branzell, territorial manager for Bayuks, in a campaign for increased distribution and sale in that territory, with good results.

An involuntary petition in bankruptcy was filed in the District Court here this week against the Trebow Cigar Corporation, 324 North Ninth Street. Creditors are Edwards & Brewer, Incorporated, $654; Newfield & Kohn, Incorporated, $819; Goldenberg-Rosenthal Company, $215. J. M. Gray is counsel.

T. S. A. OFFICERS NOMINATED

AT A meeting of the Tobacco Salesmen's Association, held in New York last week, nominations were made of the officers for the ensuing year and for three members of the board of directors.

President Herman Goldwater presided at the meeting and the following nominations were made: Ben Laschow for president, Joseph Friedman for first vice-president, Archie Wilhelm for second vice-president, Max Berliner for treasurer, Gordon H. Newman for financial secretary, Harry Block for recording secretary, and Henry Gottlieb for sergeant-at-arms.

Joe Friedman, Monroe Potter and Jack Edelstein were named for a three-year term on the board of directors. Sid Freeman and Jesse Powell were nominated as delegates to the Tobacco Merchants Association convention. Other nominations were made from the floor and the nominations remain open until the night the election takes place.

The G. H. P. Cigar Company, manufacturers of the "El Producto" brand, have adopted the five-day week plan in accordance with the movement on foot in the various industries to increase employment.

Branches in other cities have been notified that beginning October 8, a full week will constitute only five days and that Saturday work will be discontinued.

The "Royalist" factory, on N. Second Street (Grabosky Brothers, Incorporated), is running along steadily with a nice volume of orders coming in daily from the various contact men and salesmen covering their various territories, and there is a very optimistic feeling prevailing as to an upturn in business in the very near future.

The retail trade suffered quite a slump during the past two weeks on account of the Jewish holidays, October 1st being the advent of their New Year, and October 10th being the Day of Atonement. Hebrew establishments throughout the city were closed on those two days and no business was done. However, everyone is now back on the job and things are being shaped up in preparation for the Christmas holiday business with an optimistic feeling predominating.

Mrs. Pearl Bobrow, mother of Harry and Charles Bobrow, of Bobrow Brothers, manufacturers of the "Bold" cigar, passed away suddenly on Saturday morning, October 1st, while attending services at a synagogue commemorating the Hebrew New Year.

Herbert and Charles Bobrow were called home from a visit in New York territory, but have resumed their trip this week. Mrs. Bobrow was in her eightieth year.

Bernard Dougherty, credit manager for Otto Eisenlohr & Brothers, Incorporated, branch of Webster Eisenlohr, Incorporated, here, was married on Wednesday, September 28th, to Miss Helen Mullen, also associated with the Eisenlohr offices here.

The happy couple after a honeymoon "somewhere in New York State," will return to their home in Philadelphia.

Mr. Dougherty is one of the prominent members of the Cigar Manufacturers' Bowling League.

UNEMPLOYED ENGINEERS AND CHEMISTS OFFER FOUR DISTINCT SERVICES

WITH the same keen intelligence of the engineer and chemist to solve the problems of industry in the era just past, the Technical Service Committee, at the Engineers' Club, set out to solve the economic problems of the technical men now unemployed. Organized as a co-operative effort by unemployed engineers to conduct an efficient placement service, it has at the same time assembled for the executive a file of technical men of every grade in the engineering and chemical professions. Thus the employer can be put in touch with the technical men who can make his products more salable, increase plant efficiency, and create new products required by the consumer. These two services are offered without charge to the individuals using it.

The third service is compiling original data pertinent to Philadelphia's requirements for technical personnel, and the effects of industrial retrenchment on their welfare. This work is co-ordinated with that of the State Employment Commission, as is also the employment activities, and thus avoids duplication in these activities for the Philadelphia area.

The committee functions along purely co-operative and altruistic lines. Unemployed technical men volunteer without salary to do the necessary work required.

The fourth service is distinctly practical in that it offers relief in the form of useful work as distinguished from so many forms of made work. A widespread campaign has been launched among the more than 5000 members of the technical societies sponsoring this work and also among the technical men who still have jobs, to secure $60,000 as a benevolent fund from which to finance this work for the coming winter. At the present time approximately forty men are being assisted in this way, and it is desired to make this aid available to all who will require it. These men are assigned to civic and municipal organizations to continue necessary work which would otherwise have to be discontinued due to budget cuts.

Additional information can be secured by writing to "Employment," Philadelphia Technical Service Committee, The Engineers' Club, 1317 Spruce Street.

MR. HILL BAGS BIG MOOSE

George W. Hill, president of the American Tobacco Company, was one of the first non-resident hunters to bag a moose in New Brunswick this season. His moose had an antler spread of fifty-two inches and contained sixteen points. Mr. Hill shot his prize within a mile of one of his hunting camps on the northwest branch of the Miramichi, about twenty-four miles north of Newcastle.

Announcement was made some time ago that George Zifferblatt & Company had taken additional space in the building across the street from their present factory building and the stripping department which had formerly been located in their present factory would be moved into the new quarters.

Demand for the "Habanello" brand has now forced the company to use the space vacated by the stripping department for the manufacturing department in order to increase production of this popular brand to meet the constantly increasing demand of consumers in the territories where the brand has been placed.

CAMPAIGN DRIVE ON TALLY-HO CIGARETTES

THE P. Lorillard Company has launched a "teaser" campaign on their Amber Tip "Tally-Ho" cigarettes, which is producing results for that company and acquainting new customers with that brand.

An attention attracting poster is being used with the words: "The Secret Is in the Bag. Will be out soon. Watch for it—'Tally-Ho,'" in conspicuous lettering.

"Tally-Ho" are now being marketed to retail at fifteen cents a package and announcement to this effect will be made to consumers in a short time.

The campaign has aroused considerable interest and the P. Lorillard Company reports they are enjoying a nice business on the brand, and much interest is centered around finding out what the secret is. They are, at the present time, concentrating their efforts in widening distribution and it will probably be one or two weeks before the announcement of the price is made. While they are now only campaigning "Tally-Ho" in the Metropolitan District of New York and New Jersey, it is their intention to open campaigns in other sections of the country in the near future.

The Amber Tip used on "Tally-Ho" has proven very popular and the company believes there is a big field for this particular type of cigarette.

"Tally-Ho" advertising is appearing in the "New Yorker" and other class publications.

WEBSTER EISENLOHR BUSINESS INCREASING

Jackson Kemper, secretary of Webster Eisenlohr, Incorporated, reports that business on the brands of the company have shown a substantial increase in recent weeks, and a nice volume of orders for the holiday business is being received.

"Girard" bankers, which were recently introduced to the Philadelphia market as a five-cent brand, have been selling exceptionally well here and in other territories where they have recently been introduced.

B. A. EXECUTIVE'S WIFE SLAIN IN CHINA

Mrs. C. T. Woodruff, whose husband is chief accountant for the British American Tobacco Company, was killed by bandits in Harbin, Manchuria, on Wednesday as she struggled to prevent bandits from kidnapping her three children.

The bandits shot her dead, wounded her chauffeur, seized the children, and fled. Two Russians pursued, but the kidnapers opened fire, wounding both seriously. Then the Chinese police took up the chase, killed two of the bandits, and rescued the children. Two of the kidnapers escaped.

John Wagner & Sons announce a reduction in prices of some sizes of their clear Havana brands "Don Sebastian," manufactured by Arango y Arango, Tampa, Fla., and "Garcia y Vega," manufactured by Garcia y Vega, also Tampa, Fla. The Belvidere size of both brands has been reduced from $135 to $115; the perfecto size from $160 to $130, and the demi tasse size from $95 to $75. These reductions are being received enthusiastically by the trade and have resulted in increased sales. Some sizes of these brands are in such demand that they are very often oversold.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

COOPERATIVE RETAIL ADVERTISING

(Continued from previous Issue)

Direct Mail Advertising

Circulation.—The circulation of all forms of direct-mail advertising can be controlled to a high degree, thus making it possible to eliminate those persons who make up the uncertain and unpotential market group. The method of circulation varies. Usually the combined mailing lists of the firms contributing are closely followed, and in this way direct contact is made. Direct contact means closer relations between the retailer and the customer—a thing to be desired when business policy is right.

In connection with mailing, attention is invited to a post-office ruling which permits the delivery on rural routes of advertising material which omits the name and box number of the addressee. (Sec. 457, par. 6, Postal Laws and Regulations of the United States.) Such advertising material, however, must bear the route number and the name of the post office and State, which information can be procured from postmasters, under the provisions of section 508, paragraph 3, Postal Laws and Regulations. This facilitates the mailing of advertising material by eliminating the compilation of a complete mailing list, and for some purposes serves very well. It is direct contact, but at the same time it is impersonal and lacks the psychological value of personally addressed advertising material. A house-to-house distribution is sometimes used. This is as impersonal as unaddressed post-office distribution, with the additional disadvantage of sometimes never passing beyond the doorsteps. It is suggested that these points be given consideration according to the needs of the material advertised.

Frequency of Issue.—Frequency or regularity of issue is perhaps the most difficult point on which to reach a cooperative decision. The statement "Advertising is worthless unless persistently and constantly followed" is as applicable to cooperative as to individual advertising. The locality or community will determine largely whether the direct advertising piece should appear seasonally, monthly, or weekly. It is usually best that some clear-cut policy as to frequency be definitely decided upon and be adhered to. It is obvious that a paper which appears spasmodically does not contain the same proportionate value to the advertiser as does one that is regular in its appearance and is known and looked for by the public.

Expense.—The publishing expense of all forms of mail advertising by groups is reduced to a minimum when it is shared by each retail member of the group. The concentration of advertising material is one reason for this reduction, but the services performed by committees handling the make-up, layout, circulation, and frequency of issue constitute an important factor. Work of this kind is often carried on by a local trade organization, through committees, which in most instances act in an advisory capacity, while the secretary of the organization serves as business manager. In apportioning the expense the usual procedure is to arrive at the total cost of the issue and prorate this according to the square inches of advertising space used by each dealer. If space is used uniformly, the expense is, of course, divided evenly.

Adaptability.—Direct-mail advertising, used either cooperatively or individually, lends itself best to the featuring of special sales. Considerable interest may be worked up in advance of the event by an unusual or colorful piece of advertising of this type. Because circulation is under control it may be as personal and select or as impersonal and general as seems necessary. If it is regular in issue, it has unquestionably gained a certain momentum that helps to announce emphatically the approaching sale. In the case of "shopping news" which carries something of the importance of a newspaper, the news and editorial columns are sometimes used to carry information of interest to customers concerning merchants' activities. Regulations which have been adopted by the merchants' association and which directly affect customers, store changes of general interest, or the general opinion of merchants on any civic questions of timely interest to the community may be included in these columns. While the direct-mail advertising medium can never supplant the newspaper, it does effectively supplement it. The extent to which it is used depends entirely upon the need of additional advertising.

There are many instances of cooperative advertising through the shopping news. It has often served successfully to announce an event such as "Suburban day," "Dollar day," or any similar special bargain day. While the group of bakers previously referred to who used cooperative advertising to increase the sale of bread depended largely upon the newspaper as their medium of expression, generous use was made of direct advertising in the way of letters and leaflets.

An advertising campaign with the use of folders, undertaken by a group of coal dealers, not only proved effective in stimulating sales but actually benefited the community. The sale of coal during the summer months had been unusually slow. Realizing the necessity of an educational appeal in this direction, the coal group distributed directly 30,000 copies of a folder explaining why coal should be bought and stored during the summer. The appeal expressed through this medium more than accomplished its aim.

Street-Car and Bus Cards

Street-car and bus cards constitute another important and logical medium for cooperative retail advertising.

(Continued on Page 14)

PHIL M. PHULOFAX TALKS ON CO-ORDINATION

CO-ORDINATION is just as important in a cigar store as in a football team, according to Phil M. Phulofax, D. B. I., the noted analyst of modern methods who is associated with Bayuk Cigars, Incorporated, of Philadelphia.

"We hear," Mr. Phulofax writes, "a great deal these fall days about how 'the great Siwash team swept down the gridiron like a well-oiled machine—every man an integral part of a perfectly co-ordinated mechanism.' Oh, boy! Isn't it a thrill to watch a well-drilled aggregation working together as a unit? But why in the name of cellophane isn't the same principle applied to selling cigars?

"I don't mean only manpower, either. Why, for instance, does an intelligent retailer with a well-kept, well-assorted stock neglect to display it to the best advantage? Why does a man with a 100 per cent. store leave it in charge of a 40 per cent. clerk? Or even an 85 per cent. clerk? And why does a good salesman try to sell good merchandise in an ill-lighted, poorly kept shop?

"There is not enough co-ordination. Too often the retailer does not consider and solve *all* his problems. On my recent trip around the country I saw many—too many—evidences of this lack of teamwork, even when there was only a one-man team. In Salesburg I got to talking this over with old Pep Selling, who has been dealing in cigars successfully at the same stand since the days when a bridge player bid 'Nullo' on a complete bust instead of three no-trump. Pep used a little metaphor to show me how he tried to get complete co-ordination in his shop, and I think it's a good one for everybody.

"A cigar store, Pep said, is like a wagon. We will start with the assumption that the wagon (that is, the store) is in first-class shape but that it needs wheels. Wheels, Pep dryly explained, have three purposes: (1) To keep the wagon off the ground. (2) To bring it from where it was. (3) To take it where it is going.

"The first wheel on the wagon is Stock, which is certainly a prime necessity for any cigar store. But if this wheel is to be a perfect one, the stock must be well-balanced, always fresh, every part of it easily obtainable. Display is the second wheel, for the stock, no matter how good, isn't going to amount to much unless the customer is attracted by it. By display, I mean not only the arrangement of stock on counters and shelves and in cases and windows, but the advertising display material used, the condition of store equipment, cleanliness, lighting, etc. Now, with Stock and Display, we have a wagon with two wheels, but its correct name is a dump-cart, which is a very unstable wagon.

"Let us then add a third wheel, Selling. This is hard selling, intelligent selling, the kind of selling that results in a .25 on the cash register instead of a .05. We now have a three-wheeled wagon, which is more like a sort of wheelbarrow. And while that is a little more stable than a dump-cart, which may dump everything out fore and aft, it is not so stable when it is put in motion, its tendency being to dump things out sideways.

"And so for the fourth wheel, which is Service, or perhaps more accurately described as Extra Service—a difficult wheel to construct and a hard one to fit to the wagon. Extra Service consists of the thousand and one intangible things that the successful retailer offers to his customers—a pleasant greeting, an offer to fix that pesky lighter that was bought in a department store sale, a good memory for favorite brands, a talent for losing arguments with customers.

"There, said Pep, is a four-wheeled wagon that will go anywhere, whether it carries cigars or coffee pots."

STATE CIGARETTE TAXES

IN ACCORDANCE with the trend of present efforts throughout the country to increase State revenue, the following States are now levying a State tax on the sale of cigarettes:

Alabama: fifteen per cent. of wholesale price; effective October, 1927. Arkansas: three cents per twenty cigarettes; effective March, 1925. Iowa: tax of two cents for twenty cigarettes; effective July, 1921. Georgia: twenty per cent. on retail price of package for two years from April, 1932, then to be 10 per cent. on retail price. Kansas: two cents on each twenty cigarettes or fraction thereof; effective June, 1927. Louisiana: four cents on each package of twenty cigarettes; effective September 1, 1932. Mississippi: one cent for each five cents or fraction thereof of the selling price of cigarettes; effective June, 1930. North Dakota: one and a half mills on each cigarette; effective January, 1925. Ohio: tax of one cent on each ten cigarettes or fraction thereof; effective September, 1931. South Carolina: tax of one cent on each five cents of retail price; effective May, 1923. South Dakota: tax of one and one-half mills on each cigarette, or three cents for each package of twenty cigarettes; effective July, 1923. Tennessee: one and one-fifth of a cent. on each cigarette intended to sell for one cent or less; effective January, 1925. Texas: one dollar and a half per thousand, or three cents for each package of twenty cigarettes; effective August, 1931. Utah: tax of one mill on each cigarette; effective April, 1930. Pennsylvania has an emergency retail sales tax of 1 per cent., which includes cigarettes; effective September 1, 1932, for a six months' period only.

TOBACCO AUCTION PRICES

Last week's average prices for the middle belt as reported by the United States Department of Agriculture at Raleigh, N. C., were:

Lemon leaf B4L, $24.80; B5L, $16.30. Orange leaf B4F, $19.60; B5F, $14.90; B6F, $9.50. Lemon lugs X1L, $15.80; X2L, $21; X3L, $15.40. Orange lugs X3F, $13.90.

Sales were light at both Henderson and Oxford, due to rainy weather.

New Bright Belt averages: Lemon leaf B3L, $18.80; B4L, $23.80; B5L, $15.80; B6L, $9.70. Orange leaf B4F, $20.90; B5F, $12.60; B6F, $8.10; B7F, $4. Orange lugs X3F, $12.80.

Light sales at Farmville and Smithfield, due to heavy rains throughout the night and morning. Compared with yesterday prices were firm.

SPRING-EHRMAN MERGES WITH NATIONAL

The National Grocery Company, tobacco distributors, of Seattle, Wash., has taken over the business of the Spring-Ehrman Tobacco Company, and will in the future distribute "Optimo," Bayuk brands, and other brands formerly distributed in that territory by the Spring-Ehrman Company.

The Spring-Ehrman Tobacco Company was the outcome of a retail business established about twenty-five years ago by Solly Spring, who gradually expanded into the wholesale field. Various changes were made in the organization of the company up to the time of its merger with the National Company.

RETAIL STORE PROBLEMS

(*Continued from page 12*)

Make-up.—Because street-car and bus cards are both color mediums with comparatively short text space, they are sometimes classified as posters. There are, however, several points of difference between these two types of mediums. The cards used in street cars and busses are always of a uniform size, those used in street cars being 11 by 21 inches, while the poster varies in size and is usually much larger than the card. In color, picture, text, and arrangement, the basic objective of the poster is to deliver a message or an impression at a passing glance and from a distance. The street-car and bus cards have readers with more time at their disposal, ordinarily between fifteen and forty-five minutes, and because of this longer and more intimate contact, the visual text space of the card medium is enlarged to permit larger text messages. For this same reason, flat color masses with great carrying power are not of such prime importance for street-car and bus cards.

Circulation.—It is said that in the average community the number of street-car and bus passengers a day equals the total population of that community. If this is true, a rather accurate idea of the number of persons in each community coming in daily contact with street-car and bus cards can be calculated. Furthermore, there are said to be about 44,000,000 passengers carried daily in the street cars (including elevated, subway, and surface cars) of the United States. This enables one to visualize the proportion of the Nation's population which have the daily opportunity of seeing this type of advertising.

Repetition and the element of time are two outstanding characteristics of circulation value which street-car and bus cards possess. With the exception of strictly seasonable commodities, the minimum contract for street-car and bus advertising usually covers a period of one year. This means that this medium is, in most cases, before the public day and night for a year, an advantage to those merchant groups who prefer sales support which is continuous.

While street-car and bus cards are fundamentally identical as an advertising medium, there is a difference in circulation value, owing to the greater capacity of street cars, which should be noted. However, with the increased size of busses this difference may be lessened, making it possible for the bus card to meet the attention of about as many people as does the street-car card.

Expense.—In street-car advertising no one advertiser can dominate another by the size of his purse. The street-car card is standardized to 11 by 21 inches in approximately 5000 cities and towns throughout the United States. This uniform-sized advertising medium offers any group of merchants, as well as the individual merchant, an equal opportunity with the national advertiser to attract attention, regardless of any difference there may be in their advertising budgets. Uniform cost also makes one point less for merchants who are advertising cooperatively to agree upon; in other words, teamwork is made easier.

Adaptability.—A considerable variety and number of retail groups have used street-car and bus cards as an advertising medium. Usually retail groups employing this medium have cooperated to educate the public to the advantage of some particular service or to impress the idea of the high standard they maintain. Members of some lines who consider individual advertising efforts in their professions unethical have been favorably inclined toward cooperative advertising and have even built prestige with a general appeal made through a street-car card, as illustrated by the example of twenty-eight opticians and optometrists in one city who cooperatively used this medium.

Another instance of the utilization of street-car cards in cooperative advertising is found in a group of bankers who in this manner promoted thrift. A group of tailors recently advertised in a similar way the advantages of a dry-cleaning establishment which they owned cooperatively. A retail jewelers' association featured their emblem, through a street-car card, as an assurance of reliability in skillful repairing. A florist association is conducting its own local "Say it with flowers" campaign by means of the street-car card. Thirty-nine savings banks have advertised cooperatively through this medium, advising that savings accounts are more satisfactorily handled by strictly savings banks.

The neighborhood-dealer groups provide other instances of the adaptability of the street-car card to the cooperative idea. If a general advertising coverage is not desired, there has been made possible in some cities the opportunity of a localized coverage. For example, a selection of street-car lines or groups which serve more directly the restricted territory from which a neighborhood group draws its clientele, is sometimes possible. Since many national advertisers use the card medium for those products frequently handled by grocers and druggists, groups representing these two lines of business have also found it to their advantage to use this medium, each cooperative effort thus supplementing the other.

While in the instances of cooperative effort referred to above the street-car card has been used, similar opportunities are open to cooperative groups using the bus card.

Outdoor Advertising

Within the last few years cooperative outdoor advertising has developed to a marked degree. While many of the cooperative efforts making use of this form of advertising have been between manufacturer and retailer and, therefore, not strictly cooperative retail advertising, the use to which this medium may be put offers possibilities to groups made up entirely of retailers as well as of groups which combine manufacturers and retailers.

Make-up.—All matters of make-up applicable to indoor signs are also applicable to outdoor advertising displays, although the latter are usually planned on a much larger scale.

Lithography and other color printing has made possible the reproduction of the most natural colors. Because of the consideration of distance and the quick story which pictures tell, the use of color, sometimes introduced even without a word message, is a leading factor. Size of the type used, size of the poster, as well as other factors, are dependent upon the position of the display and the purpose which it is intended to serve. The application of other technical points varies with the specific need of the merchant group.

Circulation.—The circulation of this type of advertising can be more completely controlled than is generally believed. A campaign can be cut down or enlarged to fit particular conditions. It is possible to place outdoor displays in such locations that they will practically reach only those who are prospective

(*Continued on Page 18*)

In Every Line of Business It Is The *New* Which Is Selling

The ***new*** improved "AUTOKRAFT" cigar box is a long stride forward in container fabrication and finish. If your brands need a stimulant try this modern package.

It represents economy—durability—simplicity—superiority. It is attention-attracting and will help you sell your product.

Permit your customer to enjoy that particular pleasure that only good cigars can give by packing your brands in the ***new*** improved "AUTOKRAFT" cigar boxes!

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

"CREMO" PLANT RE-OPENS IN CAMDEN

THE branch factory of the American Cigar Company, located in Camden, N. J., was re-opened last week, after a shut-down of two and a half months, and about 700 persons are being employed at the plant.

The re-opening of the factory was necessitated by the tremendous increase in sales of "Cremo" cigars following the recent reduction in price to three-for-ten-cents.

The factory is under the management of Mr. Berry.

News from Congress

(*Continued from page 8*)

the League of Nations, has been announced by the State Department, but this acceptance of the League's invitation is contingent upon the elimination of war debts, reparations and tariff rates as subjects of discussion.

Among the subjects to be considered at the conference are monetary and credit policies, exchange difficulties, price levels, movement of capital, trade production, producers' agreements, tariff policy (as distinguished from tariff rates), and allied problems.

Officials of the Administration have consistently held that the return of prosperity can be assured only through concerted action on the part of all nations to level some of the tariff barriers which have been raised since the war and which have been repeatedly heightened during the depression period. Steps toward this end, it is hoped, will be taken as a result of the forthcoming conference.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va.	President
CHARLES J. EISENLOHR, Philadelphia, Pa.	Ex-President
JULIUS LICHTENSTEIN, New York, N. Y.	Vice-President
WILLIAM BEST, New York, N. Y.	Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y.	Vice-President
GEORGE H. HUMMELL, New York, N. Y.	Vice-President
H. H. SHELTON, Washington, D. C.	Vice-President
WILLIAM T. REED, Richmond, Va.	Vice-President
HARVEY L. HIRST, Philadelphia, Pa.	Vice-President
ASA LEMLEIN, New York, N. Y.	Treasurer
CHARLES DUSHKIND, New York, N. Y.	Counsel and Managing Director

Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio	President
CHAS. B. WITTROCK, Cincinnati, Ohio	Vice-President
GEO. S. ENGEL, Covington, Ky.	Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio	Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City	President
MILTON RANCK, Lancaster, Pa.	First Vice-President
D. EMIL KLEIN, New York City	Second Vice-President
LEE SAMUELS, New York City	Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

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ALBERT FREEMAN, New York, N. Y.	First Vice-President
IRVEN M. MOSS, Trenton, N. J.	Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J.	Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN	President
SAMUEL WASSERMAN	Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo.	President
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E. W. HARRIS, Indianapolis, Ind.	Vice-President
JONATHAN VIPOND, Scranton, Pa.	Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio	Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J.	Secretary

THE TOBACCO PRICE SITUATION

Flue-Cured Tobacco

AUCTION floor markets for flue-cured tobacco opened in the South Carolina Belt, type 13, on August 16th and in the Georgia Belt, type 14, on August 18th. Opening prices in Georgia averaged $10.15 per hundred pounds, compared with $7.33 per hundred pounds for the opening week in 1931. In South Carolina, also, prices averaged higher than in 1931, but the improvement was confined entirely to the lower grades. Prices for better grades were at about the same level as last year.

As the season has advanced, prices have showed some improvement over those which were paid at the opening. In Georgia, sales during the second week averaged $11.16 per hundred pounds compared with $10.15 a week earlier and $7.56 for the corresponding week of 1931. The increases have been greatest in the case of heavy leaf and lugs, particularly the lower qualities, but improvement has been shown in the prices of other grades. In South Carolina, where a Federal State tobacco grading service is in operation, the Tobacco Market News Service of the Bureau of Agricultural Economics indicates that the prices of medium to low quality orange leaf have been about 40 per cent. above the level of 1931, and prices for low grade lugs about 70 per cent. above 1931. At the same time medium to good quality lugs have been bringing around 20 per cent. more than in 1931 and cutters around 10 per cent. more.

These improvements in price over the low levels of 1931 may be attributed largely to the drastic curtailment in production which occurred in 1932. However, an additional factor apparently has been an increase of direct buying for export, as contrasted with last season when the amount of such buying was reported to be unusually small. Increased buying by manufacturers of 10-cent brands of cigarettes may also be a contributing factor, particularly on the lower grades of tobacco.

Supplies in the United States

The prospective supply of flue-cured tobacco in the United States for 1932-33 is 1,089,000,000 pounds. This is 19 per cent. less than in 1931-32 and 26 per cent. less than the record supply of 1930-31. Production in 1932 was estimated on August 1st at only 344,000,000 pounds, compared with 665,000,000 pounds in 1931 and 864,000,000 pounds in 1930. Stocks of old tobacco held by dealers and manufacturers, on the other hand, were reported at 745,000,000 pounds on July 1, 1931, compared with 677,000,000 pounds a year earlier and 599,000,000 pounds two years earlier. The stocks are about 10 per cent. larger than in 1931 but production is only about half as large. Should this forecast of production prove to be correct it will be the smallest crop of flue-cured produced in this country since 1916.

The principal reasons for the reduced production in 1932 were, first, a widespread reduction of acreage following the low prices of 1931, and later, a shortage of plants resulting from freezes and damage by blue mold and flea bugs. In addition, the weather during important periods of the growing season was unsatisfactory in many parts of the district.

For the separate types of flue-cured tobacco the prospective supplies for 1932-33 compare with those in 1931-32 as follows: Type 11 (Old Belt), 17 per cent. less; type 12 (eastern North Carolina), 16 per cent. less; type 13 (South Carolina), 16 per cent. less; type 14 (Georgia and Florida), 41 per cent. less. (See Table 2.) For each of these types the production indicated by August 1st conditions was less than the amount harvested in 1931, the reductions varying from 42 per cent. in the case of type 11 to 74 per cent. for type 14. July 1st stocks, on the other hand, were larger than in 1931 for all types except 14, which showed a reduction of 8 per cent. Stocks of type 11 were 7 per cent. greater than in 1931, those of type 12, 15 per cent. greater and those of type 13, 20 per cent. greater.

Among the several grade groups recognized in the United States standard classification, the principal increases in stock in 1932 occurred in lugs, and in the less important groups, scrap and nondescript. For the flue-cured types, as a whole, the stocks of cutters or thin leaf showed little change from a year earlier, while the stocks of wrapper and heavy leaf each declined about 5 per cent. (See Table 3.)

Consumption of Flue-Cured Products

The rates of consumption of products in which American flue-cured tobacco is used showed some slackening in 1930. However, in most countries it was not until 1931 that actual declines were recorded. These declines so far appear to have carried forward into 1932, but the apparent reductions in consumption have not been as great as the reduction in available supplies.

In the United States, where flue-cured consumption exceeds that in any other country, this tobacco is used in the manufacture of cigarettes and chewing and smoking tobacco. According to reports of the Commissioner of Internal Revenue covering the first seven months of 1932, compared with the same period in 1931, the consumption of cigarettes declined 12.4 per cent. and the consumption of manufactured tobacco (smoking and chewing combined) declined 4.4 per cent. (See Table 1.) It is not known definitely how much the consumption of flue-cured tobacco has been affected by these changes but the total decline has probably been somewhere between 5 and 10 per cent. This is based upon the assumption that the influence of smokers shifting from ready-made cigarettes to the cheaper home-made cigarettes and pipes, as indicated by the above figures, has been less of a disadvantage for flue-cured tobacco than for other cigarette types. There are no definite statistics to support this assumption, but it appears to be operating in this depression as it did in 1920 and 1921.

In the United Kingdom, where approximately 80 per cent. of the flue-cured tobacco exported to Europe is used, largely in making cigarettes, consumption by manufacturers declined about 8 per cent. in 1931, compared with 1930. Domestic consumption was only about 1 per cent. smaller in 1931 than in 1930 but exports of manufactured cigarettes declined by more than 30 per cent. This was due largely to reductions

UNITED CIGAR AUGUST LOSS $1,417,000

AC. ALLEN, vice-president of the United Cigar Stores Company of America, which filed a petition in bankruptcy a few weeks ago, testified before Referee Irwin Kurtz, in New York last week, that the stores operated at a loss of about $1,417,000 during August.

The principal item in the loss was $903,537 charged to real estate transactions. Others were $352,827 in the sale of securities and $155,804 net store loss.

Mr. Allen also testified that the United Company owned many worthless stocks, among thef a block in the North American Match Company with book value of $87,500.

The referee set October 21st as a date for further hearing on the bankruptcy.

of cigarette imports by China and India, countries which have usually taken most of the exports from the United Kingdom. During the first part of 1932 domestic consumption showed a further small decline, as compared with the preceding year, and exports of cigarettes to China and India remained at low levels. However, cigarette exports to other countries were slightly larger during the first five months of 1932 than for the same period of 1931.

On the Continent of Europe the consumption of flue-cured tobacco appears to have been about 8 per cent. smaller in 1931 than in 1930. This was due largely to reduced exports of smoking mixtures by the Netherlands and to reduced domestic consumption of cigarettes and smoking mixtures containing flue-cured tobacco in other countries. Such reports as are available indicate that consumption has continued to decline into 1932, but it appears that the rate of decline is slightly less than for the latter part of 1931.

In China, where uses of American flue-cured tobacco usually rank with those of the United Kingdom in importance, consumption has been affected adversely by military activities and by changes in the rates of taxation upon cigarettes. These have interfered particularly with the distribution of products to consumers, but the change in taxes, which became effective March 21, also caused financial difficulties among the manufacturers of low-priced cigarettes. Approximately 75 per cent. of all cigarettes consumed in China have been selling in this low-priced group. When taxes on this class of products were raised about 40 per cent., the increase proved to be larger than could be carried by the consumers. Recent reports indicate that further modifications in taxes may soon be made, but it is not anticipated that the consumption of flue-cured tobacco for the remainder of 1932 will be very different from that of 1931. The trend of consumption of this tobacco in China has been upward for a number of years.

Exports

Numerous uncertainties still surround the situation regarding exports of flue-cured tobacco. Shipments to foreign countries during the past year have been far below those of 1930-31 and the smallest in recent years. For the first seven months of 1932 the exports have totaled only 104 million pounds. This is only about half as large as the quantity exported during the same period of 1931, and 33 per cent. less than the 5-year average, 1926-30, for these months. Declines have occurred in practically all of the importing countries, but the reduction for China has been by far the most severe. (See Figs. 2 and 3.)

From the standpoint of consumption it is generally considered that the quantity of flue-cured tobacco exported from the United States during the past several months has not been large enough to take care of manufacturing requirements in the importing countries. Reduced stocks have been reported in the United Kingdom and France, and it is probable that small reductions have occurred in some of the other European countries. However, since most tobacco manufacturers usually carry enough tobacco on hand to provide them with two or more years of supply, it is possible for considerable changes to take place in stocks without being corrected immediately. Also, with the decreased consumption of tobacco products it may not be necessary to carry such large stocks. In China it appears that stocks have been reduced to some extent from the high level of six months ago, but recent reports indicate that they are still quite large.

In the matter of substituting flue-cured tobacco produced in other countries for that grown in the United States, it does not appear that any new developments have taken place during the past few months. Reports of the Ottawa Conference so far have not indicated any change in the preference given to Empire-grown leaf imported into the United Kingdom. However, as pointed out in previous statements of this bureau, the present system of preferences has been giving an effective stimulus to the consumption of such leaf in that country. In Australia, the recent adjustments in tariffs and excise taxes have not been in effect long enough to determine how much influence they will have upon imports from this country. The intent of these acts was to make Australia self-sufficient in production, but it is generally recognized that this cannot be done immediately, if ever.

Financial difficulties and strained credit conditions have kept the buying of several countries upon something of a hand-to-mouth basis. It has been expected that with improvement in economic conditions the buying of these countries would be resumed upon more of a normal basis, but at this time it is not possible to determine whether any change of this sort may be expected during the present market season.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

GELBEST:—46,086. For all tobacco products. September 24, 1932. Charles W. Gelb, Corona, N. Y.

HOLLINGSWORTH'S SHAWNEE MIXTURE:—46,085 For smoking tobacco. July 13, 1932. Wm. A. Hollingsworth, Inc., New York, N. Y.

TRANSFER

REEL:—30,265 (United States Tobacco Journal). For cigars, cigarettes and cheroots. Registered May 15, 1905, by Grand Rapids Cigar Box Co., Grand Rapids, Mich. Through mesne transfers acquired by J. G. Matkovitch, Chicago, Ill., September 16, 1932.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

customers for the advertisers. Again, if a wider circle is to be reached, outdoor displays can be so placed that everyone who goes on the streets of a city will see them. Because of their simplicity they are easily understood, even by the untutored mind.

Expense.—Since outdoor advertising is usually handled by an agency, all matters of expense take the form of one item for the cooperating group of merchants. This one item is then apportioned among the group. It is probable that by no other means can an equal amount of circulation and repetition be obtained for less cost than by the use of this medium.

Adaptability.—The indelible impression on the public mind produced through repetition is present as an outstanding advantage of outdoor advertising displays just as in the case of displays of street car and bus cards. The element of permanence, existing in varying degrees according to the structure of the display, strengthens the factor of repetition. This reacts upon the idea advertised, giving it also an air of permanence. For this reason, ideas which are more than transitory lend themselves particularly well to this advertising medium.

Merchants cooperatively offering customers parking services have relied to a great extent upon outdoor posters for advertising these services. The posters have been used both at the garage and elsewhere in the city. A forceful reminder in the form of a huge signboard erected in the center of the business district and on which was painted a big calendar for the month of December, as well as an appropriate holiday slogan, served as successful Christmas advertising by members of a retail merchants' association. Each day the preceding date was pointed out on the sign, emphasizing the brevity of the shopping period that remained. At night the sign was flooded with electric light. Besides increasing Christmas business, earlier shopping was encouraged.

Automobile dealers who have staged "safety-first" campaigns have freely used outdoor displays of various kinds. A "bread-and-milk week," designed to emphasize the food value of each of these products, was instigated by a group of bakers and dairymen who made good use of outdoor signs to aid them in their campaign. Both the milk and the bread wagons carried posters. A real estate firm, a lumber yard, and a furniture company combined their efforts by choosing a site, building a house, and completely furnishing it. Outdoor posters were used on the property and helped to make the success of this scheme surpass expectations.

(To be continued)

WAREHOUSEMEN TO PAY FOR TOBACCO GRADING SERVICE

FEDERAL State tobacco grading service on all tobacco offered for sale will be furnished at Lynchburg, Farmville, and Blackstone, Va., when those markets open in November, according to arrangements just concluded by Frank B. Wilkinson, Marketing Specialist of the Tobacco Section, Bureau of Agricultural Economics, U. S. Department of Agriculture. Grading service has been supplied at these markets in the past but each farmer had to pay a fee. Under arrangements just consummated, the expense of the service will be borne by warehousemen and no charge will be assessed against growers.

Tobacco grading service to cover the market without cost to growers was inaugurated last year at Paducah and Murray, Ky., and at Clarksville and Gallatin, Tenn. This method proved successful and received hearty endorsement from growers.

STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC., REQUIRED BY THE ACT OF CONGRESS OF AUGUST 24, 1912.

Of THE TOBACCO WORLD, Published Semi-Monthly at Philadelphia, Penna., for October 1, 1932.

State of Pennsylvania, } ss.
County of Philadelphia, }

Before me, a Notary Public in and for the State and County aforesaid, personally appeared Gerald B. Hankins, who, having been duly sworn according to law, deposes and says that he is the business manager of THE TOBACCO WORLD, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in Section 411, Postal Laws and Regulations.

1. That the names and address of the publisher, editor, managing editor and business manager are:

Publisher—The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.

Editor—Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

Managing Editor—None.

Business Manager—Gerald B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

2. That the owner is: The Tobacco World Corporation, 236 Chestnut Street, Philadelphia, Pa.—Hobart B. Hankins, 236 Chestnut Street, Philadelphia, Pa.

3. That the known bondholders, mortgagees and other security holders owning or holding one per cent. or more of the total amount of bonds, mortgages or other securities are: None.

4. That the two paragraphs next above, giving the names of the owners, stockholders and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting is given, also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association or corporation has any interest direct or indirect in the said stocks, bonds or other securities than as so stated by him.

GERALD B. HANKINS,
Business Manager.

Sworn to and subscribed before me this
30th day of September, 1932.
JOHN J. RUTHERFORD,
Notary Public.
My commission expires January 22, 1935.

Volume 52

THE TOBACCO WORLD

Number 21

Established 1881
TOBACCO WORLD CORPORATION
Publishers
Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
Entered as second-class mail matter, December 22, 1909, at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879.

$2.00 a Year PHILADELPHIA, NOVEMBER 1, 1932 Foreign $3.50

CIGAR MANUFACTURERS MEET NOVEMBER 4

THE meeting of cigar manufacturers proposed by John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers to discuss ways and means of increasing the consumption of cigars, has been scheduled to take place on Friday, November 4th, at the Hotel Roosevelt, New York City. A luncheon will be held at 1 P. M. and the meeting will follow immediately after.

Among those who early signified their intention of being represented at the meeting are: Alles & Fisher, Incorporated; Bayuk Cigars, Incorporated; Harry Blum, Bobrow Brothers; H. Anton Bock & Company; T. E. Brooks & Company; Congress Cigar Company; Consolidated Cigar Corporation; Deisel-Wemmer-Gilbert Corporation; H. Fendrich, Incorporated; Frings Brothers Company; General Cigar Company, Incorporated; D. Emil Klein Company; E. A. Kline & Company; I. Lewis Cigar Manufacturing Company; James McGahan & Brother; Jose Martinez & Company; Porto Rican-American Tobacco Company; E. Regensburg & Sons; G. W. Van Slyke & Horton; Waitt & Bond, Incorporated; R. G. Sullivan, Incorporated; John H. Swisher & Sons; Webster-Eisenlohr, Incorporated; Wengler & Mandell, Incorporated, and Yocum Brothers.

Many other manufacturers have notified Mr. Duys that they will be unable to be represented at the meeting but stated they were in sympathy with the aims of the meeting and would support the plans formulated at the meeting as far as possible.

Many prominent leaf firms will also be represented at the meeting and it is hoped that a constructive and workable plan can be adopted which will be of real benefit to the industry.

DEISEL-WEMMER EARNINGS

Deisel-Wemmer-Gilbert Corporation reports for the quarter ended September 30th, net profit of $124,462 after charges and Federal taxes, equivalent, after dividend requirements on the 7 per cent. preferred stock, to forty-four cents a share (par $10) on 215,710 shares of common stock. This compares with $73,542, or twenty cents a share, on 216,785 common shares in the preceding quarter, and $126,414, or thirty-nine cents a share, on 238,095 common shares in the September quarter of the previous year.

For the nine months ended September 30th, net profit was $268,473 after charges and taxes, equal to eighty-three cents a share on 215,710 common shares, comparing with $453,092, or $1.51 a share, on 238,095 common shares in the first nine months the previous year.

SPECIAL DEAL ON "OLD GOLDS"

THE P. LORILLARD COMPANY, under date of October 25th, notified all their jobbing customers that effective during the months of November and December, 1932, they are privileged to give one ten-cent tin of "Union Leader" rediecut smoking tobacco gratis with each four hundred (400) "Old Gold" cigarettes 20s sold from their stock to their retail customers.

Information in advance was given on the offer so that they might anticipate their requirements for "Union Leader" tobacco, and place orders accordingly before November 1, 1932.

Under the offer jobbers are to report to the P. Lorillard Company not later than January 5, 1933, their total sales of "Old Gold" cigarettes 20s to the retail trade, and they will receive a check for the gross cost of the "Union Leader" gratis used, thus allowing full trade discount on the "Union Leader" gratis, provided shipments to them during the months of November and December, 1932, equal the quantity of "Old Gold" cigarettes 20s which they report having sold to the retail trade in those months.

They will not "cover" any jobbers' stocks.

The offer applies on sales to bona fide retail dealers only and does not apply on sales or deliveries to the branch houses, retail departments or retail stores of their direct customers.

All orders are subject to acceptance by the New York office of P. Lorillard Company, and if accepted will be filled at prices ruling on the day of shipment.

R. NATHAN TAKES UNITED CORNER

R. Nathan, well-known retailer, of Chicago, Ill., has taken over the corner store formerly operated by the United Cigar Stores Company at 553 South Wells Street (corner of Harrison), and has fitted up an up-to-date establishment with modern fixtures and is already doing a nice business there with excellent prospects for a steadily increasing patronage in the future.

Mr. Nathan was formerly located at 601 South Wabash Avenue, where he had been for fifteen years. He will be glad to receive salesmen, who have quality merchandise to sell, at his new location.

LIGGETT & MYERS DIVIDEND

Directors of Liggett & Myers Tobacco Company have declared the regular quarterly dividends of $1 each on the common and Common B shares, payable December 1st to stockholders of record November 15th.

The United Retail Chemists have omitted the no-par preferred dividend due at this time.

PHILADELPHIA.

F. BRECHT'S SONS RETIRE FROM BUSINESS

LAST WEEK the old-established firm of F. Brecht's Sons, cigar box manufacturers, located at 109 North Orianna Street, announced they were retiring from the cigar box manufacturing business and the goodwill and business of the firm had been acquired by the Autokraft Box Corporation.

The firm of F. Brecht's Sons was established in 1850 by F. Brecht, and since his death has been operated by his sons, William F. and August H.

F. Brecht's Sons was famous as a generous and kind employer (a condition seldom met with in today's ruthless business methods), and one of their employees recently passed away after having been employed by the firm for a period of sixty-four years. Other employees who were with the firm at the time of its closing had been employed for periods ranging up to forty five years.

Trade Notes

C. Weil, of the Art Metal Company, was a visitor last week at Yahn & McDonnell with new samples of Ronson products for the holiday trade.

Tom Allely is displaying samples of "True Smoke," a new ten-cent smoking tobacco of the Christian Peper Tobacco Company.

Frank Swick, of the Health Cigar Company, was in town last week visiting the trade in the interest of his brands. The "Crusader" is meeting with approval in this market.

Benjamin C. J. Lumley made a trip to Baltimore and Washington last week and found business on the "Garcia y Vega" and the "Dulce" and "Verdi" brands very good in that section.

George Zifferblatt, head of George Zifferblatt & Company, manufacturer of the "Habanello" brand, is recuperating at the Shelbourne Hotel in Atlantic City following a slight operation on his throat at a local hospital recently. Mr. Zifferblatt is showing splendid improvement and expects to be able to return to his desk early this week.

NO LET-UP IN "CORONA" DEMAND

THERE has been no lull in the demand for the new "Corona" cigars, according to Yahn & McDonnell, local distributors of the brand, and they have been unable to procure enough cigars to anywhere near fill the orders they have on hand. Dealers are constantly calling for more cigars, both by 'phone and in person, but the factory has been unable to meet the exceptional demand. The new factory being erected at Trenton, N. J., is being pushed as rapidly as possible, and when it is ready for occupancy, the Henry Clay & Bock Company expect to be in a position to produce a sufficient quantity of the brand to more nearly equal the demand. At the present time shipments have only been made to nearby territories, but distribution will be extended just as soon as production will permit.

Eugene Popper, of Popper & Company, New York, was in town last week visiting the trade.

Joe Banker and Mr. Lemlein, of Sachs & Company, were in town last week calling on the trade.

Bernard Myers, Southern representative for George Zifferblatt & Company, was a visitor at the firm's headquarters last week.

Dave Lubar, tobacco distributor, has opened new and larger quarters on Frankford Avenue, where he will be better equipped to take care of his rapidly expanding business.

David Abrams, local sales manager for George Zifferblatt & Company, spent last week in Norristown assisting S. T. Banham & Co., "Habanello" distributors, in a drive on that brand, with good success.

John L. McGuerty, of the "Romeo y Julieta" factory in Cuba, was in town last week. The "Romeo y Julieta" brand is showing excellent activity in this market and is one of the very few brands stocked in the new John Wanamaker Smoke Shop not under the "John Wanamaker" label.

THE FORT DEARBORN MASSACRE

"Nature in the Raw"—as portrayed by the artist, N. C. Wyeth . . . inspired by the heartless treachery of a band of vicious Miami Indians, who massacred the settlers with inhuman ferocity . . . August 15, 1812. "Nature in the Raw is Seldom Mild"—and raw tobaccos have no place in cigarettes.

Copr., 1932, The American Tobacco Co.

No raw tobaccos in Luckies —that's why they're so mild

WE buy the finest, the very finest tobaccos in all the world—but that does not explain why folks everywhere regard Lucky Strike as the mildest cigarette. The fact is, we never overlook the truth that "Nature in the Raw is Seldom Mild"—so these fine tobaccos, after proper aging and mellowing, are then given the benefit of that Lucky Strike purifying process, described by the words —"It's toasted". That's why folks in every city, town and hamlet say that Luckies are such mild cigarettes.

"It's toasted"

That package of mild Luckies

THE TIME TO ADVERTISE

WHEN PROSPERITY rides the heavens, magazines and newspapers bulge with advertising. But let the clouds of depression descend, let the lean years come—and then the publications grow thin.

Yet the history of business the last twenty years shows that it is the manufacturers who continue to advertise year in, year out, in good times and bad, that hold top place in their respective lines. And many of these strong-hearted, consistent advertisers will tell you that most of their prestige has been built not in times of prosperity but in periods of depression.

The reason is simple. When everyone is advertising, it is difficult for any single advertiser to dominate his field. But when the volume of advertising dwindles, then it is easier for those advertisers who remain to command the attention of readers, to dominate the pages of magazines and newspapers—to burn their name and their sales points into the public consciousness.

Today it takes lots of courage for a business man to spend his good iron dollars for advertising. But courage in business, as in war, has its reward. It is safe to predict that, when this period of readjustment is ended, when American industry enters once more upon prosperous times, it will be the courageous manufacturers who advertised right through the lean years that will lead the parade in the good years.—*Nation's Business.*

Trade Notes

Tony Garcia was in town on the 22d with a party of friends and attended the Penn-Dartmouth game at Franklin Field.

The cigar stand in the Gimbel Brothers store is featuring the "Garcia y Vega" and the "Wagner" brands in a splendid display with good results.

John Wagner & Sons received last week a shipment of "Por Larranaga" cigars from Cuba which contains some very fine sizes and excellent workmanship.

Joe Wolf, of Seidenberg & Company, manufacturers of the "Rey Del Rey" brand, was a visitor here last week.

Irving Studwell, representing the H. Upmann factory in Cuba, was in town last week. John Wagner & Sons have just received a shipment of this fine old brand.

The Gomez Cigar Company, 136 South Eighth Street, is enjoying a nice business on their "De Bueano" brand. The company specializes in box trade direct to the consumer.

Benjamin Lumley, returned last week from a trip to Altoona, Harrisburg and Milton, visiting the trade in the interests of the "Garcia y Vega" brand, which is distributed in that territory by the Reid Tobacco Company. Mr. Lumley found business on his brand particularly good, with the Regalia size enjoying an excellent call under the able supervision of the Reid Company.

CONDOSSIS DRIVE IN NEW ENGLAND

A NEW ENGLAND advertising campaign has just been released by Dorland International for the Condossis Tobacco Corporation of New York. This campaign features newspaper advertising, window displays, posters and streamers.

The newspaper campaign consists of large space, black and white, twice a week in the *Boston Globe* and the *Herald Traveler;* also full color pages in the *Boston Post.*

To cover the balance of the New England market, newspaper advertising will also be released in Providence, Springfield, Hartford and New Haven.

The "Count Condossis," twenty for twenty cents, are featured and a merchandising drive will continue for Christmas packages on "Prince" and "King Condossis." After the first of the year, two separate drives will be launched one on "Count Condossis" and the other on "Prince Condossis."

A list of national magazines is now being prepared to support the newspaper advertising of which the New Yorker has already received a schedule for 1932 and 1933.

Similar newspaper campaigns will be used later throughout the country. The address is Condossis Tobacco Corporation, 305 East Forty-fifth Street, New York City.

The Independent Retail Tobacconists' Association, New York City, has endorsed the "As You Like It" brand to be featured in all the stores of its members. The brand has been a favorite in Philadelphia for many years. There will be no price-cutting on the brand.

I. M. Jacoby, representing the "Bering" brand (Corral Wodiska y Ca., Tampa), was a visitor at Yahn & McDonnell headquarters, "Bering" distributors, last week. The "Bering" is up among the best selling clear Havana brands.

Yahn & McDonnell Cigars are featuring a new size of their "As You Like It" brand. The new size is called "Pals" and retails at twenty-five cents for a package of five in a cardboard pack cellophane wrapped. The new size is proving popular with the smoker who appreciates quality.

I. B. White, manager of the cigar department of John Wagner & Sons, made a trip to the Bethlehem, Allentown and Easton section last week in the interest of "Garcia y Vega," "Don Sebastian" and their own "Monticello" and "Wagner" brands, with samples of the holiday packings, and found all these brands enjoying a splendid sale in that territory.

Tom Allely, representative for the Christian Peper Tobacco Company, St. Louis, for this territory, has placed his "Listerine" cigarette and "Wellington" high grade smoking tobacco with the N. E. Jobbing and Candy Company, 6938 Torresdale Avenue. The N. E. Jobbing and Candy Company is operated by Jack Sullivan who was formerly associated with the Charles Krull Company, and who has a number of friends in the trade.

NEVER PARCHED • NEVER TOASTED

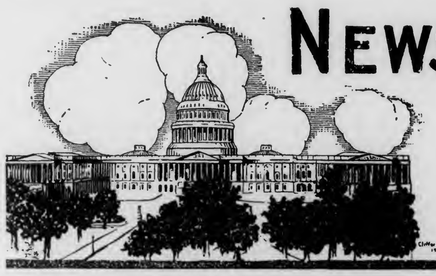
CAMELS are always FRESH!

SWITCH to Camels and learn the mildness of a fresh, cool-burning cigarette. A blend of choice Turkish and mellow, sun-ripened Domestic tobaccos, Camels are never parched or toasted. That's why we say smoke them for one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 A... BUILDING

INCREASED shipments of scrap, cigarettes, and smoking tobacco marked our export trade in tobacco during August, it is disclosed by figures just compiled by the Department of Commerce. Trade in unmanufactured tobacco, however, it is shown, suffered a setback, although greater in quantity than in August, 1931.

Total exports during the month, the department reported, were valued at $3,528,070 against $4,432,177 in July and $5,403,395 in August of last year. Shipments of unmanufactured tobacco totaled 24,256,785 pounds valued at $2,945,042 against 26,762,002 pounds valued at $3,880,879 the preceding month and 23,107,342 pounds valued at $4,638,467 the year before, this loss being entirely in leaf tobacco, shipments of which amounted to 22,148,691 pounds valued at $2,841,948 against 25,125,517 pounds valued at $3,819,992 in July, exports of stems, trimmings and scrap increasing from 1,636,485 pounds valued at $60,887 to 2,108,094 pounds valued at $103,094. In August, 1931, exports of leaf totaled 22,302,456 pounds valued at $4,588,567 and of stems, trimmings and scrap 804,886 pounds valued at $49,900.

While decidedly below the total of $764,928 recorded in August of last year, exports of tobacco manufactures in the same month this year, totaling $583,028, registered an increase over the July shipments of $551,298 which was spread over two of the three main classes of shipments, it is shown. Exports of cigarettes in August aggregated 204,493,000 valued at $476,963 against 105,923,000 valued at $434,713 in July and 254,049,000 valued at $560,789 in the same month last year; while shipments of chewing tobacco totaled 129,028 pounds valued at $47,501 against 154,174 pounds valued at $65,202 in July and 318,198 pounds valued at $128,694 the year before, and shipments of smoking tobacco, including cigar cuttings, amounted to 72,396 pounds valued at $53,943 against 65,221 pounds valued at $45,912 in July and 100,194 pounds valued at $70,978 in August, 1931.

Exports of all other tobacco manufactures for the month were reported as 3,870 pounds valued at $4,621 against 5,265 pounds valued at $5,471 in July and 23,505 pounds valued at $4,467 in August of last year.

Imports of tobacco during August registered a further decline to a total of $1,322,633 as compared with $1,414,324 in July and $1,836,552 in August, 1931.

Receipts of wrapper leaf decreased from 278,121 pounds valued at $312,745 in July to 260,082 pounds valued at $389,652, while imports of cigarette leaf dropped from 689,300 pounds valued at $167,845 to 173,487 pounds valued at $45,209. Imports of unstemmed filler dropped from 284,202 pounds valued at $163,301 to 258,482 pounds valued at $149,705, but receipts of stemmed filler increased from 521,850 pounds valued at $399,417 to 549,525 pounds valued at $404,841.

Imports of Philippine cigars during the month totaled 181,271 pounds valued at $232,192 against 177,654 pounds valued at $255,999 the preceding month; Philippine cigarettes, 573 pounds valued at $934 against against 180 pounds valued at $270, and Philippine unmanufactured tobacco, 169,654 pounds valued at $19,722 against 225,128 pounds valued at $23,822.

Appointment by President Hoover of Representative Charles R. Crisp of Georgia, recently defeated as a candidate for the Democratic nomination for Senator, as a member of the United States Tariff Commission to succeed the late Lincoln Dixon, is expected materially to strengthen that body.

A member of the House Committee on Ways and Means for some seventeen years and acting chairman during the greater part of last session, Mr. Crisp takes to his new post an intimate acquaintance with tariff problems.

The Tariff Commission is a bipartisan body of six members, not more than three of whom can be members of the same political body. Immediate filling of the position made vacant by Commissioner Dixon's death was deemed advisable because of the great mass of work which at all times confronts the commission.

In order that there might be a minimum of interruption to the commission's work, Mr. Crisp resigned from Congress October 7 and was immediately sworn in as a member of the Tariff Commission.

Legislation restoring the two-cent rate of postage on first-class mail will be introduced at the opening of the session of Congress by members of the Post Office Committee of the House of Representatives now engaged in a study of postal activities and economies.

Decision to launch a campaign for repeal of that provision of the 1932 revenue law increasing the rate of postage to three cents was given the approval of all members of the sub-committee conducting the investigation, of which Representative James M. Mead (Dem.) of New York is chairman.

"This action," it was declared in a formal statement issued for the committee by Mr. Mead, "was

(*Continued on Page 16*)

SUPREME COURT TO REVIEW STOCK PLAN

THE United States Supreme Court has agreed to review the lower court decision upholding the legality of the American Tobacco Company's employees' stock subscription plan, upon the petition of Richard R. Rogers. Mr. Rogers, a stockholder, instituted suit in the courts to invalidate the plan, which he contended provided for the sale to employees and directors of the company of 312,968 shares of the common B stock at $25 a share when the current market value of the stock was $112.

He had voted against the stock plan when the question was presented to stockholders at a meeting July 28, 1930. Mr. Rogers estimated that the president of the company would profit to the extent of $1,169,000 and the directors to the extent of $1,681,000.

THREE MORE UNITED LEASES DROPPED

Irving Trust Company, as trustee for bankrupt United Cigar Stores Company of America, was authorized on Wednesday to disaffirm two unprofitable leases in New York and one in Boston, by Federal Referee Irvin Kurtz, of 15 Park Row. The leaseholds are at 1549 Broadway and 989 Eighth Avenue, here and 641 Washington Street, Boston. After a hearing on other leaseholds which are before Referee Kurtz for disaffirmation the hearing adjourned until next Wednesday. Cigar Store Holdings, Incorporated, a real estate holding subsidiary of the cigar concern, which is also in bankruptcy, is involved in most of the leases. George J. Wise, vice-president of the cigar company, testified for both bankrupts.

ERNEST E. LORILLARD

Ernest E. Lorillard, nephew of Pierre Lorillard, founder of the P. Lorillard Company, died suddenly on October 13th at his apartment in the Hotel La Salle, in New York City. Mr. Lorillard had a heart ailment, but his death was unexpected.

Until his retirement several years ago Mr. Lorillard had been a yacht broker.

He was a graduate of Columbia University, a member of the Union Club and the New York Yacht Club.

Funeral services were held on October 15th at the Church of the Epiphany.

He is survived by one son, Screven. He was fifty-nine years old.

"EL TRELLES" FACTORY AT CAPACITY

The "El Trelles" cigar factory in New Orleans is working with a full force of employees, and various members of the firm are turning in a steady volume of orders through their continuous contact with the trade in the surrounding territory.

Manuel Trelles has recently returned from a visit to European countries where he studied conditions in the industry, and is optimistic as to future business.

SEASONAL INCREASE FOR TAMPA

Output of the Tampa cigar factories for the month of September was 28,648,837 cigars, which is an increase of more than 2,000,000 cigars over the August production. This is considered as highly satisfactory in view of the fact that there were only twenty-five working days in that month.

NATURE IN THE RAW

GENERAL George A. Custer made his gallant last stand against the Sioux Indians and their allies only fifty-six years ago—within the memory of many who are still living. It was the last stand for the members of his dauntless force, numbering some 260, as well as for their brave leader. General Custer's brother, Thomas Ward Custer, also fell with him. Not a man of Custer's band escaped for the savages showed no mercy. This massacre does indeed indicate that "Nature in the raw is seldom mild," as the advertisements for a popular cigarette claim in attributing its mildness to toasting so that raw tobaccos are not present. Custer's last stand was made near the junction of the Big Horn and the Little Big Horn Rivers, in what is now the State of Montana, on June 25, 1876. Sitting Bull, chief of the Dakota Sioux who took part in the massacre, fled to Canada with many of his followers to escape retribution.

BAYUK CIGARS REPORT

Bayuk Cigars, Incorporated, report for the quarter ended September 30th net loss of $98,269 after depreciation and taxes. This compares with net loss of $48,180 in the preceding quarter and net income of $64,846, equivalent after dividend requirements on the 7 per cent. preferred stock to two cents a share on 90,852 no-par shares of common stock in the third quarter of the previous year.

For the nine months ended September 30, 1932, net loss was $222,598 after charges and taxes, as compared with net income of $258,223, equivalent to seventy cents a share on the common in the first nine months of the previous year.

GERMAN CHEWING TOBACCO CONSUMPTION

German factories, numbering 265, consumed 63,272,000 pounds of raw tobacco in the manufacture of chewing tobacco during the fiscal year 1930-1931. The sales of chewing tobacco estimated on the volume which passed through the revenue office were 221,000,000 pieces, retailing at an average of 18.41 pfennigs. The revenue collected by the government was approximately 2,034,000 marks. In contrast to other tobacco products, the demand and consumption of chewing tobacco favored the higher-priced grades.

AMERICAN COLORTYPE SALES

The American Colortype Company, which absorbed the Moehle Lithographic Company some time ago, reports sales of $1,175,652 for the three months ended September 30, 1932, as compared with $1,562,881 reported for the same period a year ago.

For the nine months ended September 30th, sales totaled $4,257,363 as compared with $5,933,007 for the same period of last year.

ROTHSCHILD TAKES "HAVANA BROWN" IN BUFFALO

I. Rothschild, wholesale cigars, cigarettes, tobaccos and candy, at 187 Ellicott Street, Buffalo, N. Y., has taken on the "Havana Brown" brand, manufactured by H. L. Smith, Windsor, Pa., for distribution in his territory. The "Havana Brown" is a five-cent seller packed in a boite nature box and is a big seller wherever placed.

TOBACCO STOCKS LOWER

LAST WEEK tobacco shares of the leading companies suffered a setback on the New York Stock Exchange following reports that the so-called "depression" cigarettes, selling at 10 cents a package, were making more headway.

The "big four" companies have the distinction of paying the same dividend rates as in 1929, despite the high taxes on their products, and for this reason they have been classed as depression proof, but the sales of the lower-priced cigarettes have brought forth many rumors of price-cutting in the industry, which, however, have been consistently denied by officials of the various tobacco companies.

DECISION DELAYED IN REYNOLDS CASE

Prosecutor Higgins' decision on whether the case against Libby Holman Reynolds and Albert Walker will be prosecuted or dropped will be made after a conference with Sheriff Transou Scott and "others connected with the case," the solicitor announced in Winston-Salem last week. He spoke from his home at Sparta by telephone.

He would not comment further on the case, and said he would not be in Winston-Salem until the next term of court convenes, which is scheduled for November 7th.

Higgins now has under advisement a letter received from W. N. Reynolds, uncle and co-guardian of the late Smith Reynolds, youthful heir to an estate estimated at $20,000,000 stating that the Reynolds family would be happy if the murder indictments against Mrs. Reynolds and Walker were dropped.

KLEIN COMPANY LOSES CIGARS

On October 18th four armed bandits broke into a garage in New Brunswick, N. J., seized a truck driver and his helper who were sleeping there and escaped with a truck load of cigars containing 290,000 cigars belonging to the D. Emil Klein Company.

The empty truck was later found in Union City. The cigars, which were covered by insurance, were valued at about $40,000.

MENGEL SALES IMPROVE

Sales of the Mengel Company, Louisville, Ky., for the third quarter were about 8 per cent. greater than in the second quarter, indicating improvement in various lines of manufacture, according to a letter recently mailed to stockholders by C. C. Mengel, president of the company. The company manufactures wood, fibre and boxboard containers, principally for the tobacco, soap and food products industries.

FRANK FALLON IMPROVES

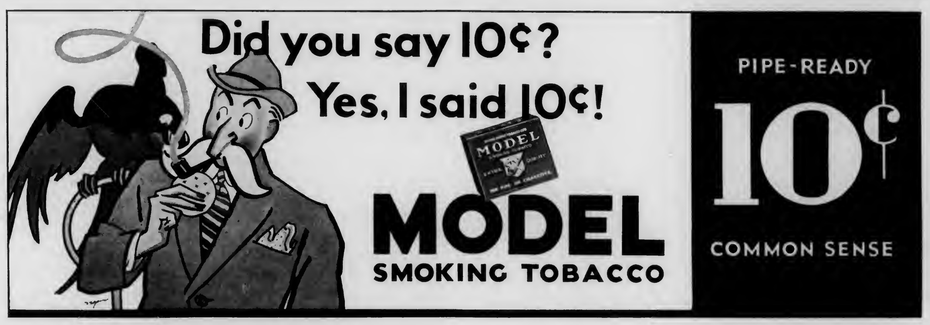
According to reports, Frank Fallon, "Partagas" agent for the United States and Canada, who has been ill for sometime, is progressing favorably at the Memorial Hospital in New York City following two blood transfusions recently. His many friends are hoping for a complete and quick recovery.

PHILIP MORRIS EARNINGS UP

Philip Morris & Company, Limited, Incorporated, report for the six months ended September 30, 1932, profit of $259,417 before Federal taxes. This compares with profit of $250,287 in the corresponding period of the previous year.

NINE MONTHS' WITHDRAWAL FOR CONSUMPTION

	First 9 Mos. Cal. Yr. 1932	*— Decrease + Increase Quantity*
Cigars:		
Class A—		
United States ...	2,634,862,890	— 132,579,210
Puerto Rico	54,802,850	— 52,198,105
Philippine Islands	132,051,970	+ 12,514,010
Total	2,821,717,710	— 172,263,305
Class B—		
United States ...	40,170,731	— 109,270,249
Puerto Rico	159,000	— 1,332,750
Philippine Islands	438,549	— 554,971
Total	40,768,280	— 111,157,970
Class C—		
United States ...	615,288,978	— 399,224,218
Puerto Rico	2,372,050	— 1,376,680
Philippine Islands	212,572	— 158,876
Total	617,873,600	— 400,759,774
Class D—		
United States ...	39,792,855	— 24,282,840
Puerto Rico	2,700	— 36,400
Philippine Islands	3,126	— 614
Total	39,798,681	— 24,319,854
Class E—		
United States ...	2,633,750	— 4,426,453
Puerto Rico	.....	— 1,500
Philippine Islands	24,905	+ 19,624
Total	2,658,655	— 4,408,329
Total all classes:		
United States ...	3,332,749,204	— 669,782,970
Puerto Rico	57,336,600	— 54,945,435
Philippine Islands	132,731,122	+ 11,819,173
Grand total ..	3,522,816,926	— 712,909,232
Little cigars:		
United States ...	220,707,374	— 54,658,253
Puerto Rico	3,250,000	— 2,750,000
Philippine Islands	.....	.....
Total	223,957,374	— 57,408,253
Cigarettes:		
United States ...	80,301,465,323	—9,045,906,904
Puerto Rico	3,294,700	— 5,735,300
Philippine Islands	984,967	— 473,063
Total	80,305,744,990	—9,052,115,267
Large cigarettes:		
United States ...	2,689,410	— 1,617,472
Puerto Rico	403,000	— 982,000
Philippine Islands	1,000	— 700
Total	3,093,410	— 2,600,172
Snuff (lbs.) all United States	27,953,217	— 2,591,101
Tobacco, United States	239,769,668	— 10,137,748
Mfgd. (lbs.), Philippine Islands	491	— 387
Total	239,770,159	— 10,138,135



TOBACCO MAGAZINE ADVERTISING LOWER

EXPENDITURES for August advertising by the tobacco industry in national magazines and farm magazines amounted to $352,824, a recession of 21.2 per cent. from the total of $447,521 spent for the same month of 1931. The amount spent in national magazines was $320,274, off 22.2 per cent., and the amount spent in farm magazines was $32,550, off 9.3 per cent. Of the total in national magazines, $251,338 went for cigarettes, $2382 for cigars, and $66,554 for manufactured tobacco and smokers' supplies, according to figures compiled from National Advertising Records by the Business Survey Department of Dorrance, Sullivan & Company, New York advertising agents.

The declines in August ran counter to the trend for the year to date. During the first eight months of the year, the tobacco industry expended $4,234,449 in national and farm magazines, an increase of 5.8 per cent. over $4,001,319 for the corresponding period last year. National magazines accounted for $3,935,749, ahead 5.1 per cent., and farm magazines accounted for $298,700, ahead 15.9 per cent.

Radio advertising over national networks showed a decline in July, also counter to the general trend. The July expenditure for this medium was $377,899, a drop of 20.5 per cent. from $475,559 in July, 1931, but the total for the first seven months was $4,388,363, ahead 61.2 per cent.

AXTON-FISHER INCREASING CAPITAL

The Axton-Fisher Tobacco Company, Louisville, Ky., is marketing 10,000 additional shares of its 6 per cent. cumulative preferred stock and 5000 additional shares of its class B common stock, in order to obtain additional working capital for expansion.

When the stock is marketed there will then be outstanding 18,369 shares of the preferred stock ($100 par value), 45,500 shares of class A common stock and 112,000 shares of common B stock ($10 par value).

"Twenty Grand," the ten-cent cigarette of the company, is enjoying a tremendous business, while their "Spud" cigarette is a big seller in the higher priced brackets. Other products of the company are also enjoying a splendid sale.

D. EMIL KLEIN DIVIDEND

The D. Emil Klein Company has declared a regular dividend of twenty-five cents on the common stock of the company, payable January 2d to stockholders of record December 21st, and a dividend of $1.75 a share on the preferred stock, payable November 1st to stockholders of record October 21st.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director

Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City .. .. Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo. ..... President
E. ASBURY DAVIS, Baltimore, Md. ..... Vice-President
E. W. HARRIS, Indianapolis, Ind. ..... Vice-President
JONATHAN VIPOND, Scranton, Pa. ..... Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J. ..... Secretary

MacANDREWS & FORBES CUT CAPITAL

MacAndrews & Forbes Company, manufacturers of licorice products, have notified the New York Stock Exchange that it proposes to reduce capital through a reduction to 32,358 from 40,000 shares of preferred, and to 536,104 from 600,000 shares of common stock.

It is also proposed to change the common from no par to $10 par each. Each old share to be exchanged for one share of the new $10 par value stock.

PORTO RICAN LOSS $752,000

Damage from the recent hurricane in Porto Rico to the tobacco industry on the island is set at $752,000 by the Commissioner of Agriculture for Porto Rico, according to a radiogram from Trade Commissioner J. R. McKey, San Juan, Porto Rico.

Damage in general is officially estimated at $20,442,000. It is pointed out that in the 1928 storm damage was officially estimated at more than $85,000,000.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

COOPERATIVE RETAIL ADVERTISING

Outdoor Advertising

(Continued from previous Issue)

A photographers' association in one city, several members of which have used outdoor advertising as individuals, combined their efforts during a holiday season and used several hand-painted displays for one month. The value of a photograph as a personal Christmas gift was emphasized. Results were considered very satisfactory. A number of ice cream dealers have had unusual success in the cooperative use of outdoor posters. The purpose of the campaign was threefold, namely, to stimulate the use of ice cream as a food, to increase its consumption, and to bring about a greater use of brick ice cream. This particular campaign continued for a year.

Conclusion

Cooperative retail advertising is in the embryonic stage. What has been done is merely an indication of what can be done. No attempt has been made to investigate new avenues in this field. They are doubtless many and in all probability lend themselves to cooperative effort as well as do means already tried, and those who can read the signs of the times will take advantage of these new opportunities.

The important point is cooperation. The principles herein stated are valuable only as they are accompanied by good will and by confidence in the knowledge that there is always an advantage in promoting business in one's town, even if it is not apparent at the outset that the business in any particular individual is to benefit by it. In the final analysis the value a merchant derives from cooperative retail advertising depends upon the merit of the campaign itself rather than upon the method used. Any success, therefore, which merchants may receive from advertising cooperatively will be due chiefly to the amount of cooperation given.

DEPARTMENT LEASING IN RETAIL STORES

Introduction

Why do you sublease sections of your store to outside individuals and syndicates? In reply to a similar question the manager of a large store said, "We have only one leased department—the pattern section. For some reason that particular department was not paying expenses under our management, so we decided to lease it."

A noticeable feature in retailing is this tendency on the part of some retailers to let other organizations operate those sections which have proved unprofitable to the store owner. Until a few years ago leasing in retail stores was restricted, as a rule, to highly specialized departments. At present a merchandise department conceded to be an important part of the business may be operated by a tenant who cannot be expected to have a great interest in the store's general welfare except as it relates to the success of that one department.

In order to meet expenses and to take care of the crowded population in cities expanded by emergency activities, it became more or less customary during the war for home owners in these communities to rent unused rooms and apartments. Undoubtedly many have continued this practice, even though the necessity may no longer exist, and it is possible that in much the same way some proprietors formed the habit of leasing sections of their store space. There is a vast difference, however, between "Apartment to let" in the retailer's home and "Department to rent" in his store. A leased section in a retail establishment is usually associated with a lack of something vital to the store's success—lack of capital, lack of experienced buyers, lack of initiative, or lack of detailed merchandising knowledge with regard to some department essentially a part of the retailer's business.

The lessee renting from a store has the one problem of making profitable to himself the particular space rented. Naturally he endeavors to select an apparently suitable locality and to insist upon terms favorable to the profitable selling of his special merchandise; and though his problem presents many difficulties worthy of careful consideration, they are difficulties of location and adjustment which do not admit of definite treatment in a report on leasing as a factor which affects retail store success. This study, therefore, is confined to a discussion of the possible advantages and disadvantages of leasing from the viewpoint of the store and the effect of this practice on the retailing business in general.

In presenting the following statements the Domestic Commerce Division does not presume to offer suggestions to the experienced business man, but acts rather as a medium through which is provided a widespread interchange of ideas relative to existing facts. Material for and against leasing, gathered from the experience of many retailers, may help the individual merchant to decide whether "lease or continue to lose" is the right attitude to adopt with regard to those departments within his store which have been operated at a loss or have not earned a reasonable percentage of profit.

Development of Leasing as a Practice in Retailing

Early Experiments

The majority of well-established retail stores in the United States today were founded by merchants who began business on a small scale. New departments were added whenever such expansion was justified by the needs and wants of a developing community, and each addition may be considered a tribute to the mer-

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TOBACCO PRODUCTS STILL DECLINING

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of internal revenue collections for the month of September, 1932, and are issued by the Bureau. (Figures for September, 1932 are subject to revision until published in the annual report):

Products	*September 1931*	*September 1932*
Cigars (large)		
Class A .....No.	328,759,610	330,471,575
Class B .....No.	6,865,036	3,870,113
Class C .....No.	105,408,076	65,684,444
Class D .....No.	7,568,748	4,857,328
Class E .....No.	728,516	535,447
Total .....No.	449,329,986	405,418,907
Cigars (small) .....No.	33,730,013	22,757,147
Cigarettes (large) ...No.	455,750	294,483
Cigarettes (small) ...No.	9,695,138,683	9,310,987,817
Snuff, mfd. .....Lbs.	3,669,531	3,562,270
Tobacco, mfd. .....Lbs.	29,608,681	28,131,151

Note: The above statement does not include tax-paid products from Puerto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax Paid Products From Puerto Rico for the Month of September.

Products	*Sept., 1931*	*Sept., 1932*
Cigars (large):		
Class A .....No.	10,580,950	4,188,200
Class B .....No.	278,000	10,000
Class C .....No.	477,250	90,500
Class D .....No.	5,500	.....
Total	11,341,700	4,288,700
Cigars (small) .....No.	500,000	700,000
Cigarettes (large) ...No.	200,000	40,000
Cigarettes (small) ...No.	2,000,000	300,000

Tax Paid Products From the Philippine Islands for the Month of September

Products	*Sept., 1931*	*Sept., 1932*
Cigars (large):		
Class A .....No.	16,479,760	20,796,760
Class B .....No.	220,216	56,837
Class C .....No.	50,326	33,050
Class D .....No.	500	.....
Class E .....No.	300	4,520
Total	16,751,102	20,891,167
Cigarettes (small) ...No.	64,240	33,270
Tobacco, mfd. .....Lbs.	92	37

Note: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

Comparative Statement of Internal Revenue Collections for the Month of September

Sources of Revenue	*1931*	*1932*
Cigars	$1,354,075.20	$1,118,833.71
Cigarettes	29,089,384.03	27,936,321.14
Snuff	660,515.72	641,208.58
Tobacco, chewing and smoking	5,329,783.82	5,064,597.95
Cigarette papers and tubes	155,540.80	107,142.10
Miscellaneous, relating to tobacco	15.00	777.89

P. LORILLARD CO., INC.
119 West 40th Street
New York City

Respectfully invite your attention to the Christmas packing of their products as follows:

"BEST OF THE BEST"

OPTIMO CIGARS

Manufactured by A. SANTAELLA & CO.
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

RETAIL STORE PROBLEMS

(Continued from Page 12)

chant whose business extension was made possible by the good will of his patrons.

However, keen competition in retail trade naturally presented to the minds of some proprietors various plans for building up a large store of many departments with a minimum amount of capital, time, and risk. Such a store might be what the public believed it to be—an organization controlled by the firm under whose name it was operated. On the other hand, a large store might contain many important sections over which the proprietor exercised little or no direct control.

(Continued on Page 14)

RETAIL STORE PROBLEMS

(*Continued from page 12*)

Several firms literally reached the limit of department leasing by attempting a plan under which all space was subleased to various department managers. Each manager paid to the store proprietor an amount to cover the space rental charge, plus a fee for the use of the firm name and such other privileges as were agreed upon. These sections assembled under one roof apparently had little interest in common, except that they all rented space from the same proprietor and desired to sell merchandise to the same people.

There are examples to prove that the above-described method of operating an entire store on a department-leasing basis is possible of success, and that such an organization may grow into an enterprise of value to the community. But it is plain that a store proprietor who has profitably leased 100 per cent. of his merchandise departments has technically ceased to be a merchant, in order to establish a successful leasing business. The owner of Center Market, an establishment covering two city blocks in Washington, D. C., has leased all selling departments to 176 dealers. The United States Government, the lessor in this case, furnishes an illustration of a store owner leasing to such an extent that all retailing of merchandise is performed by tenants. As a governmental enterprise, however, the market is conducted primarily for community service rather than for any profit which may accrue to the owner.

Very few stores operated by private firms have survived under the 100 per cent. department leasing plan. Past experiments in that direction tend to prove that uniformity of service to the public and centralized control are essential features of retail store success difficult to attain under a plan of that kind.

There exist today large retail establishments whose development provides striking examples of the contrasting methods by which store sections that originated more or less independently have gradually yielded to absolute centralized control. In one case the proprietor's policy was not to renew the lease of established sections, but to regain complete control by taking over each department built up through the efforts of the lessee. In another case one of the original lessees eventually acquired control of the proprietor's interest, terminated leases with all tenants, and in this way became sole owner of the business.

Modern Leasing Practice

Before the war leasing in retail stores was a comparatively rare experiment, except in the case of restaurants, beauty parlors, and a few other sections of such a specialized nature that they were scarcely regarded as merchandise departments. The average merchant did not take kindly to leasing propositions which might tend to lessen his direct control over any important phase of his store's business.

Apparently a new leniency toward department renting has crept into the retail business. Leasing, which was resorted to as an emergency expedient, has developed into a growing practice in many stores.

Authoritative statements on file in the Domestic Commerce Division indicate that, particularly during the last few years, there has been an increased tendency on the part of many retailers to let tradespeople outside the retail-store organization operate important sections. This tendency is noticeable in the case of medium-size department stores in cities having a population of 50,000 to 100,000, comparatively large stores in smaller cities, and specialty shops in the more populous centers.

Though definite statistics are not available on the subject, well-known retail authorities agree that not less than 30 per cent. of the department stores in the United States have one or more leased departments. Nevertheless, large department stores in metropolitan cities seldom lease important sections, and many retailers are emphatically opposed to trusting even their minor departments to outside organizations or individuals.

Sections Commonly Leased

Early in 1924 the National Retail Dry Goods Association listed, in the order of their importance, the following departments as those most frequently leased:

Millinery.
Hair goods, hair dressing, and manicuring.
Crockery and glassware.
Carpets and linoleum.
Furniture or house furnishings.
Optical goods.
Pianos, other musical instruments, and sheet music.
Wall paper.
Shoes.
Furs.
Sewing machines.
Dress patterns.
Men's clothing.
Cleaning and dyeing.

That association also named other departments which occasionally are leased, such as fruits and vegetables, meats, cut flowers, photographic apparatus, dental supplies, toys, toilet preparations, soda fountains and specialties, books, and, in rare cases, cloak and suit departments.

Merchants who were interviewed related their experiences in connection with the leasing of other sections, including the store restaurant, barber shop, magazine, grocery, confectionery, washing machine, radio, jewelry, sporting goods, glove, linen, art needlework, and lace departments. Frequently, drug stores sublease the cigar, soda fountain, and confectionery sections; general stores sometimes lease the hardware and house-furnishing departments; and, in a few cases, in preference to working on a salary and commission basis, a watchmaker leases space in a jewelry store and pays the store a certain percentage of the amount of business done.

The leasing tendency is growing with regard to departments carrying style merchandise. It is stated by millinery experts that in cities with a population of 35,000 and up, fully one-half of the millinery sold is distributed through "syndicate lessees," who will be referred to later. These so-called "syndicates" lease the millinery sections in a number of stores, thus establishing chains of leased departments for the distribution of their merchandise. Statements from practically all sections of the country indicate that since the early part of 1924 coat and suit sections also have been in great demand by chain department organizations.

Classification of Lessees

There are three distinct types of tenants with whom a retailer may contract to lease:

1. A "syndicate company" functioning as a specialist in the distribution of one kind of merchandise. This distributing company forms a chain of leased departments, each unit of which is operated under the general direction of the chain organization.

2. A manufacturer who has organized a subsidiary company for the purpose of leasing departments which could not so satisfactorily be leased in the manufacturer's own name.

(*Continued from Page 13*)

DEVELOPMENTS IN THE CUBAN TOBACCO INDUSTRY

THE National Commission for the Defense of the Cuban Tobacco Industry recently published information concerning the 1932 crop of Remedios which shows that only 19,386,231 pounds were produced in that zone in 1932 against 46,442,443 pounds in 1931, thus showing a reduction in relation to the preceding year of 58.3 per cent., states American Consul Harold B. Quarton in a report released by the Tobacco Division of the Department of Commerce. Considering that the production of Remedios composed by weight 61.9 per cent. of the 1930 crop and 57.5 per cent. of the 1931 crop, it is evident that the total production in 1932 will be much below normal.

The Spanish Regie has influenced the purchase of cheap grades since spring when the first purchases of approximately 80,000 bales were made. Bids were requested for a second order of 40,000 bales in August. According to the terms imposed by the Spanish monopoly, the firm to which the order was awarded was compelled to deliver all the classes desired. This confined the bidding to two houses. Three-fourths of the first order, or 3,000,000 kilograms from a total of 4,170,000 kilograms, was of Remedios Tripa. The low price of the Spanish purchases is evident from the August exports which show that the average price was twelve cents per kilo while the American purchases reached a high price of $1.06 per kilo. Two sales to Spain of over 120,000 bales (and possibly an additional quantity later in the year), has caused Cuban cigarette manufacturers to be interested in these low grades because they fear purchases later in the year will be difficult. It is estimated that an additional 50,000 bales has moved as a direct cause of the Spanish purchases and the market has been cleared for the most part of the large surplus of low grade tobacco which existed at the beginning of 1932. Although there is some inferior tobacco remaining, this consists mostly of leftovers or lots held above market prices.

Not much activity has been noticeable in the last three months in the Habana market for clear grades, excepting for Partido Rezagos and Bancos. The Partido crop was fairly good but very small in quantity. While the clear Habana manufacturers in the United States as well as in Cuba have felt the slump in business, still those manufacturers could not afford to be left without tobacco, although buying on a smaller scale. The result is the Partido crop has practically vanished from the market. A few lots remain unsold, but in most cases either the prices asked are above prevailing values, or there is some deficiency in the quality of the tobacco.

Gradually old tobacco from low land "vegas" producing good quality, has been moving, and while prices were low the manufacturers took advantage to buy the best lots remaining on the market, the results being that today a very limited quantity remains of old tobacco that is of desirable quality. There is a considerable stock of second and third grade tobaccos, some of the 1927 and 1928 crops, and there is also a quantity of clean classes of Semi-Vuelta Abajo, for which there is no demand, and low land Vuelta Abajo from the poorer sections which can be bought cheap. However, there is very little remaining in old tobacco that can be considered first class, or of any classes for which there is a demand. The cigar manufacturers had plenty of cheap filler in the 1930 and 1931 crops owing to the light nature of these two crops, which required that the tobacco should be sold early. This light tobacco in addition to being cheap gave a high yield to the manufacturer.

TEN-CENT CIGARETTES GROWING FAST

FROM an insignificant proportion of the total cigarette business several months ago, cigarettes selling at ten cents for a package of twenty have grown so rapidly in public favor that in some responsible quarters in the tobacco business it is estimated that they now account for as much as 20 per cent. of all cigarettes sold. Makers of these cigarettes estimate the proportion even higher, placing it between 20 per cent. and 25 per cent. of the total current cigarette sales.

In August 9,558,000,000 cigarettes were consumed. One-fifth of this total would be 1,910,000,000 cigarettes in the ten-cent field.

The ten-cent cigarettes are generally sold by the manufacturers at a list price of $4.75 a thousand, less the usual trade discounts of 10 per cent. and 2 per cent. which would bring the price down to $4.19, and special

(*Continued on Page 16*)

Of *old Remedios* there are absolutely no stocks of Botes, Permanentes, Manchados or Sextas. There are some lots of Octavus and a larger quantity of thirds. Also, there are some first and seconds. However, if the poor tobacco were eliminated, leaving only the grades which could be considered first class, there would be but a limited amount remaining. The type of the *new Remedios* crop that have arrived in Habana are much better than many people expected. It is considered that there is some very poor tobacco, which hardly would justify the expenses of packing, but there is also a certain portion, in the districts where the weather has been more favorable, of a very good type.

What the future for the leaf tobacco business is to be cannot be foreseen. Owing to the low prices prevailing for the last couple of years, the farmers have exhausted all their resources and are unable to pay the rent due on their farms, fertilizer bills, or any other bills. Speculators who bought tobacco in the last couple of years have also lost money and are afraid to operate, their capital being gradually eaten up by expenses. As a consequence, conditions in general are not good. It is probable that there will be a much smaller number of operators in the market next year. Many houses are getting ready to liquidate, or have already done so, as there is no possible way for operators who usually buy tobacco in the country, to make any profit or even to invest their money safely.

In the country many people are gradually planting less tobacco. Some who formerly devoted themselves to tobacco growing are either planting yucca, peanuts and vegetables for shipment to the North during the winter time, or are planting other products for new domestic industries the Government is trying to create. There is no demand for *Vuelta Abajo* of the *new crop* except by two or three Tampa manufacturers and by one New York manufacturer, who have bought several vegas that are well known. Otherwise, the tobacco produced is lying in the country waiting for some one to come along and buy it. In *Remedios,* every year not later than July, Habana houses buy large quantities of tobacco which are packed there by country packers and local merchants, or buy for the account of large American manufacturing concerns. This year practically no purchases have been made for regular packings for account of firms operating out of Habana, and practically all of the Remedios crop will be packed by the farmers themselves. Some purchases of farmers' packings have been made at low prices, but buying has not been done on a general scale so far this year.

TEN-CENT CIGARETTES GROWING FAST

(*Continued from Page 15*)

deals sometimes cut the price further to approximately $4.10 a thousand. One brand, however, the Paul Jones, is sold at $4.50 list, with a discount of twenty-five cents, to make the price $4.25 a thousand. The four leading popular brands in the fifteen-cent field are quoted at $6.85 a thousand, less 10 per cent. and 2 per cent. to bring the price down to $6.04 a thousand cigarettes.

That cigarettes can be made and sold by smaller manufacturers for nearly $2 a thousand less than the larger makers ask is due to the unprecedentedly low prices prevailing for leaf tobacco. This is due to two causes. First, the rapid expansion of the acreage devoted to tobacco and the consequent increase in the size of the crops, and second, the drying up of foreign demand.

With consumers of tobacco products in the United States demanding economy, small manufacturers have introduced low-priced brands which they have not advertised. Economic pressure has provided sufficient word of mouth advertising to stimulate their sale tremendously.

A large number of brands are now being offered in the ten-cent field. The leaders in the order of their estimated sales volumes are "Wings," of Brown & Williamson Tobacco Company, subsidiary of British-American Tobacco Company, Limited; "Twenty Grand" of the Axton-Fisher Tobacco Company; "Paul Jones" of the Continental Tobacco Company, subsidiary of Philip Morris Consolidated, Incorporated; "Sunshine" of the Liggett & Myers Tobacco Company, and "White Rose" of Larus & Brother Company of Richmond.

Since the Government tax on cigarettes is $3 a thousand the maker of ten-cent cigarettes has only between $1.10 and $1.20 a thousand cigarettes with which to cover all expenses. The makers of the fifteen-cent cigarettes have $3.04 a thousand to cover expenses.

Reduced acreage and disease cut the crop of tobacco in the United States this year, and resulted in slightly higher prices. However, if conditions should be favorable in the next crop year, the country might increase the crop over the roughly 1,000,000,000 pounds grown this year, and if Europe and Asia should continue apathetic buyers, the price might well remain low for some time.

Another factor holding a threat for the lower-priced cigarette makers is the possibility of an increase in the federal tax on cigarettes such as was suggested last December. Since Congress abandoned the idea there has been no discussion of a possible advance in the revenue tax rate.

Liggett & Myers is the only one of the Big Four which at present is in the ten-cent cigarette field, and it has had its ten-cent cigarettes for some time.

As the ten-cent cigarettes have gained in volume, rumors have gathered that the Big Four companies were planning price reductions. To date, however, no change has been made in the price of $6.85 established in June, 1931. In at least one of the larger companies, there is a feeling on the part of some officials that the threat of the ten-cent cigarettes could best be met by the introduction of new ten-cent cigarettes by the larger makers which would be sold without advertising, and without change in the price of the regular, leading brand. This is based on the theory that the ten-cent cigarette is only a passing factor in the tobacco business.

THE EGYPTIAN CIGARETTE INDUSTRY

ACCORDING to the latest Egyptian Industrial and Commercial Census, there were 74 cigarette factories in Egypt, 36 of which were located in Cairo, 22 in Alexandria and 4 in Port Said, the principal centers of the cigarette industry, reports Assistant Trade Commissioner Gabriel D. Ferrante to the Tobacco Division of the Department of Commerce. Of this aggregate number, 11 employed no staff, work being performed by the owner and his family, 11 employed 1 to 4 workers, 12 employed 5 to 9, and factories employing over 10 workers amounted to 40. The number of employees totaled 10,200 but this number undoubtedly has increased somewhat, since the census was taken. *According to opinions in the trade, there are now about 12,000 workers employed in the cigarette industry.*

Accurate figures regarding the total *production of cigarettes* in Egypt are not available. A close approximation may be obtained, however, by basing a calculation upon the amount of leaf tobacco imported. It is estimated that from 700 to 1000 cigarettes (depending upon the size) can be manufactured from one kilogram of leaf tobacco. The customs returns for 1931 indicate that 6,208,985 kilograms of leaf tobacco were imported. Assuming that 90 per cent. of this total is consumed in the cigarette industry and that the average yield of one kilo of tobacco is 900 cigarettes, the aggregate output in 1931 amounted to about 5,000,000 cigarettes. Most Egyptian cigarettes are made by machine. One large company operates twenty-eight machines. Only the better grades are made by hand

(*Continued on Page 17*)

News from Congress

(*Continued from page 8*)

taken in view of representations made to the sub-committee at its hearings, the falling off in the volume of first-class mail since the three-cent rate went into effect July 6, the Postmaster General's recent statement that the two-cent rate should be restored as soon as the postal business warranted it, and the desire of the sub-committee to build up the mails so as to provide more revenue and work opportunities for the postal employees and substitutes who are being deprived of employment as a result of the decreased postal business."

The reduction in the volume of first-class mail, the sub-committee has been told, has been so great that the Post Office Department has suspended publication of its monthly statement of postal receipts, with the result that it has been impossible to determine definitely the effect of the increase upon the volume of mail carried. It has been admitted by postal officials, however, that receipts during July and August, even with the increased rates, were only about equal to those of the same months last year.

Other tobacco company officials feel that if the price of cigarettes is to be cut to meet the competition of the ten-cent cigarette, the cut must be big enough to increase the total sale of cigarettes and so pay for itself, and since to accomplish this it would be necessary to meet or come near the price of the ten-cent cigarettes, the suggestion of a price cut is deprecated.—*Wall Street Journal.*

EGYPTIAN CIGARETTE INDUSTRY

(*Continued from page 16*)

as the cost of production is much higher than those manufactured by machines. Local cigarette rollers are paid on the basis of ten P. T. to fifteen P. T. per thousand without mouthpiece and twenty P. T. per thousand with mouthpiece. The average daily output of each worker ranges from 1500 to 4000 cigarettes.

The number of cigarettes in each box vary all the way from seventeen to twenty-eight depending upon the size of the cigarette. Some of the cheaper brands are also sold in bulk and it is not unusual for a native to purchase three or four cigarettes at a time. Prices vary considerably, and cigarettes can be purchased as low as two and a half P. T. (twelve and a half cents at par) for a box of twenty-three. The inferior grade, low in price, is mostly in demand. It is customary for some manufacturers to place on the market a new brand of cigarette every few months in the hope that it will successfully appeal to the public. However, as a rule, these are of short duration and are soon discarded. Negotiations upon the part of one of the large amalgamated companies to obtain a practical monopoly of the cigarette trade have failed each time.

Before the World War, Germany, England, Austria-Hungary, and Sweden were the four principal nations, in order of importance, to which Egypt exported its cigarettes, but since then there has been a radical change in their destination. As early as 1920, the larger portion of this trade shifted to the Netherlands and the Netherland East Indies, where it remains today. The peak year, 1920, when exports aggregated almost a million Egyptian pounds (about $5,000,000 at par), the above two countries accounted for about 50 per cent. of the shipments. The United Kingdom has always been an important purchaser of Egyptian cigarettes and in recent years, Italy and Arabia have ranked with the important importing nations. In 1925 Palestine stood second on the list, but since then the share of that country has become increasingly less important, owing to the high customs dues and the establishment of the cigarette industry there. Prior to the World War the average annual exports of cigarettes from Egypt were 1,086,000 pounds, valued at 394,000 Egyptian pounds. During the intervening years, the quantity has dropped by nearly half, and the value by 38 per cent. Exports in 1931 amounted to 556,823 pounds valued at 242,979 Egyptian pounds.

During the years subsequent to the World War and up until 1930, Egypt had an import trade in cigarettes as great and sometimes greater than her export trade in that commodity. The main source of supply was, of course, the United Kingdom. Owing to the high customs duties on manufactured tobacco in 1930, cigarette imports dropped from 541,094 pounds in 1929, 298,435 pounds in 1930, to 129,727 pounds in 1931.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

3. An individual, or one-man lessee. The third type is decidedly in the minority. As a rule, a department is leased to one man only when the individual is personally known to the store management.

Motives for Leasing

Irrespective of the section of the country in which the store is located, the population of the city, the type of store, and class of merchandise carried, the department lessor invariably states that he leased the section named either because the department failed under store operation to serve the public and return a profit, or because he thought he could lease with greater profit. In every case discussed it was found that the proprietor shifted responsibility of department management to a lessee with the expectation that the latter could economically supply one or all of the following specific needs: (1) Store expansion, (2) superior purchasing facilities, (3) increased volume sales in the department as a result of the lessee's specialized knowledge of the merchandise handled or the labor involved.

Store Expansion With Least Capital Outlay

At some time during the last five years possibly every owner of a small or medium-size store has considered leasing as a means of adding new lines of merchandise to provide thereby additional volume of business. Some who finally decided to lease new sections did so because they lacked sufficient capital with which to establish all of the departments desired in the store. The majority of proprietors in this class frankly admitted that they looked upon leasing as merely a temporary plan by which they were able to increase the size of the store with a minimum expenditure of capital. Usually it is the intention of these proprietors to take over the departments as soon as they are successfully established by the lessee and can be financed by the store. In other words, the desired store expansion is gained by allowing a tenant to finance the new department during the period of experimentation.

(*Continued on Page 18*)

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD-ESTABLISHED CIGAR MANUFACTURING FIRM OF Hand-Made Havana quality cigars, offers fine Havana cigars in any quantity to discounting dealers, at profitable prices. Satisfaction absolutely guaranteed. If interested in first and repeated profits, address for particulars "Fair Dealing," Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

DANLOR:—46,087. For all tobacco products. October 11, 1932. Canadian Tobacco Co., Fall River, Mass.

ASUF:—46,088. For cigarettes. January 12, 1932. Joseph S. Slamey, Boston, Mass.

GAR-WOOD:—46,089. For all tobacco products. September 10, 1932, by American Colortype Company, Allwood (Clifton, N. J.).

GOLDEN ARMS:—46,094. For cigars. July 8, 1932. Deisel-Wemmer-Gilbert Corp., Detroit, Mich.

TRANSFERS

FOREMOST:—44,132 (T. M. A.). For cigars. Registered March 5, 1925, by Hothorn Litzrodt Corp., New York, N. Y. Transferred to Henry W. Peabody & Co., New York, N. Y., and re-transferred to Irving H. Waterman, Flushing, N. Y., September 30, 1932.

EL ATTONA:—43,851 (T. M. A.). For cigars. Registered July 12, 1924, by Pasbach-Voice Litho. Co., Brooklyn, N. Y. Through mesne transfers acquired by Henry W. Peabody & Co., New York, N. Y., and re-transferred to Irving H. Waterman, Flushing, N. Y., September 30, 1932, in that part of the United States lying east of the Mississippi River.

ROGER BEAN:—264,060 (U. S. Patent Office). For cigars. Registered November 19, 1929, by Henry W. Peabody & Co., New York, N. Y. Transferred to Irving H. Waterman, Flushing, N. Y., September 30, 1932.

VITT BROS. ROYALS:—45,665 (T. M. A.). For cigars, cigarettes and smoking tobacco. Registered February 11, 1930, by Casper E. Riese, San Francisco, Calif. Transferred to Vitt Bros., San Francisco, Calif., October 13, 1932.

THIS IS TOM:—32,026 (U. S. Tobacco Journal). For cigars, cigarettes and tobacco. Registered May 27, 1907, by Congress Cigar Co., Sam Paley, Proprietor, Chicago, Ill. Transferred to Jacob Rich, New York, N. Y., October 11, 1932.

TOM:—32,879 (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered April 16, 1907, by Congress Cigar Co., Sam Paley, Proprietor, Chicago, Ill. Transferred to Jacob Rich, New York, N. Y., October 11, 1932.

TOM:—32,879 (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered April 16, 1907, by Congress Cigar Co., Sam Paley, Proprietor, Chicago, Ill. Transferred to Jacob Rich, and re-transferred for **cigarettes only** to Virginia Products Corporation, New York, N. Y., October 14, 1932.

RETAIL STORE PROBLEMS

(*Continued from Page 17*)

Superior Purchasing Facilities

Advocates of department leasing also maintain that the lessee interested in only one class of merchandise is logically better fitted than the store proprietor to supply the community's needs or whims with regard to that particular commodity. For merchandise in which style and seasonal elements predominate, distributing syndicates are said to possess an advantage in being able to buy more economically than the store owner, whose effort must be spread over a varied assortment of merchandise. The tenant, for example, may be an organization operating the millinery, ladies' coat and suit, or other important department in from three to a hundred stores. Often such a chain is able to pay a high, flat leasing rate, or profitable commissions, as a result of standardized methods of buying throughout its organization of leased departments. Therefore the retailer who links his millinery or other style goods department to the chain frequently does so in anticipation that the store will profit either directly or indirectly through the superior purchasing and marketing facilities with which the syndicate is credited.

These retailers say that the chain may be formed by a producer who will supply merchandise to each of the chain's departments at less cost than the store could purchase it directly. Or, if the syndicate is merely a distributor and not a producer, which is commonly the case, manufacturers show a preference for its larger orders, and the departments forming the chain can be expected to secure lower prices, greater variety, and, because of this wider selection, more exclusive styles.

Detailed Merchandising Knowledge

Being financially able to buy in large quantities, as described above, is of little value unless this ability is accompanied by a detailed knowledge of what to buy and how to sell. A retailer who continues to be more successful than his neighbor usually owes his greater success to superior merchandising knowledge.

There are degrees to which this detailed knowledge is essential in handling different classes of commodities, and there are at least two ways of securing the necessary specialized knowledge which a merchant realizes he does not have. Using style merchandise again as an example, a retailer may find that when ready-to-wear items quickly change style he frequently has a full stock which he can not sell with profit. In an effort to remedy this condition he begins to order in extreme moderation, with the result that he loses patronage through carrying an insufficient variety. Since he knows so little about handling that particular commodity, the retailer eventually decides that he must either discontinue that department or invest in merchandising talent more skillful in coping with the intricate problems resulting from seasonal and whimsical shifting of styles.

In searching for a "merchandising wizard" who will put the losing department on a paying basis the retailer has two sources from which to choose:

1. He may look over the field of managerial ability available for hire and select a capable department manager, whose income will be made to depend upon how successfully he makes his department show a profit and who will contribute his share of effort toward building good will for the entire store.

2. Rather than trust to his judgment in selecting an experienced department manager who will act as an employee of the store (in preference to taking the department out of the store), the proprietor may decide to make use of reputed ability outside of his organization by leasing the unprofitable section.

The last-named method of attaching specialized knowledge to a department seems to appeal at the present time particularly to retailers who lack successful experience in establishing departments for style and seasonal goods and popular new items, of which radio equipment is an example. The desire to profit through the tenant's merchandising knowledge is most frequently given by retailers as the reason for leasing, and it has been heard with reference to practically all important departments previously listed in this publication.

Such departments as the restaurant, hair goods, barber shop, pattern section, and others of similar service value, are commonly leased because the proprietor looks upon them as store "stepchildren," or departments somewhat unrelated to his regular merchandising business.

(To be continued)

NOVEMBER 1, 1932

VOLUME 52 No. 21

THE TOBACCO WORLD

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In Every Line of Business It Is The *New* Which Is Selling

The ***new*** improved "AUTOKRAFT" cigar box is a long stride forward in container fabrication and finish. If your brands need a stimulant try this modern package.

It represents economy—durability—simplicity—superiority. It is attention-attracting and will help you sell your product.

Permit your customer to enjoy that particular pleasure that only good cigars can give by packing your brands in the ***new*** improved "AUTOKRAFT" cigar boxes!

Phila., Pa.
Hanover, Pa.
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AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

NOVEMBER 15, 1932

VOLUME 52 — No. 22

THE TOBACCO WORLD

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Respectfully invite your attention to the Christmas packing of their products as follows:

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machines offer
A NEW RETAIL OUTLET
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Get all the facts now on automatic merchandizing.
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"BEST OF THE BEST"

OPTIMO CIGARS
VERY MILD — VERY MILD

Manufactured by **A. SANTAELLA & CO.**
Office, 1181 Broadway, New York City
FACTORIES: Tampa and Key West, Florida

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

WOODEN BOXES

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WOODEN BOXES

Volume 52 — Number 22

THE TOBACCO WORLD

Established 1881
TOBACCO WORLD CORPORATION
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Hobart Bishop Hankins, President and Treasurer
Gerald B. Hankins, Secretary
Published on the 1st and 15th of each month at 236 Chestnut Street, Philadelphia, Pa.
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$2.00 a Year — PHILADELPHIA, NOVEMBER 15, 1932 — Foreign $3.50

CIGAR MANUFACTURERS HOLD INSPIRING MEETING

PROMINENT cigar manufacturing concerns throughout the country were represented at a meeting held in the Hotel Roosevelt, New York City, on Friday, November 4, at the invitation of John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, to discuss ways and means for restoring the cigar to its old-time popularity.

The meeting was attended by prominent cigar manufacturing firms from all parts of the country, evidencing a keen interest in Mr. Duys' proposal.

Mr. Duys addressed the meeting as follows:

"The calling of this meeting has been prompted by the deplorable condition of our industry, by the consistently large decline in cigar volume, and by the steady shrinkage of cigar values in the retailers' market.

"The time has arrived when we must consider with all seriousness the problems before us, weigh carefully the value of every idea that may be offered here and hereafter for the benefit of our business, and act as a unit on any measure or measures to be agreed upon for our common welfare.

"As employers of a large number of men and women, you have the obligation to keep your workers at their jobs. No one can convince me that we do not have in our industry the brains and the will to achieve something more than we now possess in the way of more profitable business. No one will ever be able to convince me that the cigar industry is to become practically extinct, or that it cannot climb up to its former important place in the industrial set-up of this country.

"The repeal of the Volstead Act will unquestionably be helpful to our industry, but we must try to reach the future drinker of beer and wine and convince him that smoking a cigar with beer or wine is far more satisfactory and enjoyable than smoking a cigarette with these beverages.

"The many abuses in merchandising and in advertising which are hampering our industry should be corrected. I propose that a Bureau of Complaints and Contact, headed by some enterprising lawyer, should be created. To this Bureau all complaints regarding dishonest advertising, etc., should be directed.

"In all our advertising, individual or otherwise, and in all our promotional work, we must try to reach the colleges and universities in an endeavor to make young men of this country 'cigar-minded.' College men in this country set the standard of taste in dress and habits for the rest of the young men. I believe that if we can make the college men lay aside their cigarettes and pipes in favor of cigars, a great deal will be accomplished.

(*Continued on Page 16*)

LIGGETT ENJOINED FROM BANKRUPTCY

AN ORDER restraining the Louis K. Liggett Company, chain drug store operator, from filing voluntary bankruptcy proceedings was issued last Thursday in Philadelphia by Federal Judge George A. Welsh on petition of the 1524-1542 Market Street Realty Company, owner of a property here which the Liggett Company occupies under a lease.

In the petition the realty concern charged the drug company was contemplating bankruptcy proceedings to break leases on several store properties. It was alleged the drug company had attempted to "terrorize" landlords. Counsel for the plaintiff concern stated the Liggett Company had a $30,000,000 surplus as of December 31st, last.

Affiliated companies also were named as defendants in the action. The restraining order will remain in effect until next Thursday, when the court will hear argument in injunction proceedings.

AGGRESSIVE CAMPAIGN FOR "GARCIA GRANDE"

Garcia Grande Cigars, Incorporated, is increasing their advertising appropriation, and thus giving concrete evidence of their belief that there is business to be had by the firm which is aggressive enough to bring their product to the attention of the buyer.

Their plans are to use metropolitan newspapers, outdoor advertising, window displays and trade papers, featuring "Garcia Grande" cigars.

GENERAL CIGAR EARNINGS

The General Cigar Company estimates net profit for the September quarter at $636,246. This compares with $481,797 in the preceding quarter and $844,172 in the September quarter of 1931.

For the first nine months of 1932 profit is estimated at $1,420,179, as compared with $1,758,049 in the first nine months of 1931.

DRUG, INCORPORATED, DIVIDEND

Directors of Drug, Incorporated, which controls the Liggett Drug Stores, have declared the regular quarterly dividend of $1 a share, payable December 1 to stockholders of record November 15th.

TOBACCO PRODUCTS PASSES DIVIDEND

Tobacco Products Corporation on Thursday passed the dividends on the $20 par Class A and on the Class A certificates of deposit now due.

U. S. C. M. CONDUCTS SURVEY

THE United States Cigar Manufacturers' Association is conducting a survey of industrial relations activities in the cigar industry. This includes welfare work and the promotion of better understanding between employers and employees. This survey is similar to that made in other industries by the Merchants' Association of New York.

The following questionnaire has been sent to all cigar manufacturers:

Data for use in a study of the effect of the depression on industrial relations activities:

1. Name of contributing company.
2. Number of employees in your company, June, 1929, and now.
3. Of the following industrial relations activities please check those being carried on in your company in June, 1929.

Centralized employment control, insurance (unemployed, group, health, pension plan), housing program, cafeteria service or restaurant, organized recreation for employees as athletics, clubs, dances, etc., employee representation, medical service, organized, accident prevention, education and training program, thrift and savings plan, profit sharing and bonuses, stock subscription plan, employees' benefit association, legal aid, suggestion system, plant paper or other employees' periodicals, loans to employees, co-operative buying and any other activities not mentioned above.

4. Number of people engaged directly in the administration and supervision of the above specified activities, June, 1929, and now.
5. Which of the above activities have been discontinued since June, 1929?
6. What discarded activities, if any, do you intend eventually to organize?
7. What particular value, if any, have you derived since June, 1929, as a result of your industrial relations work?
8. In your judgment what is the relative importance of industrial relations work as compared to other business functions, such as sales, production, etc.?
9. Of all the industrial relations activities with which your company has had experience, which do you consider to be of most importance?

TAMPA CIGAR BOX MANUFACTURER PASSES

George F. Weidman, secretary and assistant treasurer of the Leiman-Weidman Box Company, Tampa, Fla., cigar box manufacturers, passed away shortly after midnight on Friday, November 4th.

Mr. Weidman had been in ill health for some time and underwent an operation in the Tampa Hospital on Tuesday, November 1st, but his condition did not improve and he passed away early on Friday morning.

He was born on February 17, 1865, and had a host of friends in the trade who admired him for his integrity and fair dealing.

WALGREEN COMPANY SALES

Walgreen Company reports October sales of the company amounted to $3,662,962, against $4,420,857 in October, 1931.

Sales for the first ten months of 1932 totaled $38,260,410, against $45,473,128 in the corresponding period of last year.

CHESTERFIELD'S NEW "JIG-SAW" DISPLAY STOPS FIFTH AVENUE CROWDS

WINDOW DISPLAYS are nothing new to the busy crowds around Forty-second Street and Fifth Avenue, New York. But Chesterfield's latest in the A. Schulte store at this famous corner has been stopping them by the score.

Unusual at first glance, attention is caught by the set with its huge cigarettes upright on each side acting as supporting pillars for a stage. A pretty young girl makes up the center of the display, but it takes more than pretty girls to hold crowds these days. What does it in this instance is the sudden breaking up of the picture into many swirling bits of color and letters until it resembles a large jig-saw puzzle. Then just as suddenly each piece of the puzzle squirms back into place and the picture is intact once more. Curiosity holds the crowds as they watch this magical scrambling and unscrambling, and they seem unwilling to move on until they make sure that the set isn't falling to pieces—that it's another novel advertisement for the cigarette that "satisfies."

TOBACCO FACTORIES ADD WORKERS

Tobacco factories in Richmond, Va., have been taking on additional workers during the past few weeks in order to cope with the increased production necessary to fill the increase in orders due to the holiday business.

The American Tobacco Company branch, which turns out a number of brands of smoking tobacco, is working on a full five-day schedule, and orders are reported to be in excess of those received a year ago.

The P. Lorillard Company branch has added more than a hundred additional workers, and a night shift is being operated to take care of the regular orders coming in. A greater rush of orders than was received last year for holiday shipment is anticipated.

HURRICANE SWEEPS CENTRAL CUBA

On Wednesday, November 9th, a terrific hurricane swept across the central part of the island of Cuba, doing tremendous damage to property, as yet not estimated, and causing the death of more than 1000 persons. The greatest damage was caused to sugar plantations and it was not known at the time of going to press whether any damage had been caused the tobacco industry.

At Santa Cruz del Sur a solid wall of water swept in from the sea, estimated to be more than twenty feet high, and destroyed every building in the city and caused the death of 300 persons. The wind is said to have reached a velocity of 130 miles an hour.

TAMPA PRODUCTION REFLECTS HOLIDAY ORDERS

Tampa factories produced a total of 36,328,321 cigars during the month of October, which, while approximately 5,000,000 less than was produced in the same month of 1931, was a gain over September production of about 7,680,000 cigars.

Class A showed a substantial gain as compared with the 1931 figures for the same month, while classes B, C and D showed substantial losses which more than offset gains in other classes. Class E showed a remarkable gain as compared with 1931. The October, 1932, production by classes was as follows: Class A, 18,957,386; Class B, 502,157; Class C, 13,117,182; Class D, 3,693,739, and Class E, 57,857.

NEVER PARCHED • NEVER TOASTED

CAMELS are always FRESH!

SWITCH to Camels and learn the mildness of a fresh, cool-burning cigarette. A blend of choice Turkish and mellow, sun-ripened Domestic tobaccos, Camels are never parched or toasted. That's why we say smoke them for one day, then leave them—if you can.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.

Trade Notes

J. B. Annis, of Gradiaz Annis & Company, Tampa, was in town last week visiting the trade.

George Stocking, of Arango y Arango, manufacturers of the "Don Sebastian" brand, was in town last week visiting John Wagner & Sons, local distributors of the brand.

Abe Caro, of the "Optimo" factory, was a recent visitor at Yahn & McDonnell headquarters, local distributors of the brand, and where the boys are kept busy filling the tremendous volume of orders that pour in daily for this popular brand.

Mr. Jessa, of the Heine's Tobacco Company, Massilion, Ohio, was in town last week visiting the trade on "Heine's Blend" smoking tobacco. Yahn & McDonnell are the local distributors of the brand, and they report a good call for this high-grade brand.

Grabosky Brothers, Incorporated, North Second Street, manufacturers of the "Royalist" cigar, are keeping busy filling the steady flow of orders coming into the factory, and there is a keen feeling of optimism prevailing throughout the organization in regard to future business on the brand.

Paul Steinberg, the venerable, young, old salesman of John Wagner & Sons, is the only cigar salesman who can sell cigars in four languages. Mr. Steinberg speaks three languages (besides English), fluently, which stands him in good stead when selling the high grade merchandise of John Wagner & Sons.

Abe Berkowitz, sales representative for the Christian Peper Tobacco Company, St. Louis, Mo., was a recent visitor in town. Tom Allely, local representative of the firm, reports a splendid distribution and sale of their "Wellington" high-grade smoking tobacco, "Listerine" cigarettes, and also on their new ten-cent smoking tobacco, "True Smoke."

A TIMELY HINT

IN another page of this issue of THE TOBACCO WORLD, Bayuk Cigars, Incorporated, are offering the cigar retailers a real service in the way of a large window poster urging the shopper to give a box of cigars for Christmas.

There is absolutely no charge for the poster and it bears no advertising of any brand of cigars. Full details for obtaining this valuable sales stimulator are given in the announcement on another page, and every retailer who is interested in getting his share of the holiday business which will soon be in evidence should not fail to procure one of these window posters, and use it.

CONGRESS EARNINGS

The Congress Cigar Company reports for the nine months ended September 30, net profit of $162,996, as compared with $386,006 in the first nine months of 1931.

I. B. White, manager of the cigar department of John Wagner & Sons, distributors of high-grade cigars and tobacco products, reports that business on their several brands is exceptionally good. Among the grands mentioned as "leading the league" are "Romeo y Julieta"; the "Wagner" brand; the "Crusader" brand of the Health Cigar Company, and "Chukkers" cigarettes, of Simpson, Studwell & Swick.

F. W. Summerfeld, of the F. W. Summerfeld Cigar Company, was a recent visitor at John Wagner & Sons, local distributors of his "Dulce" and "Verdi" brands. Our attention was directed to a half-page advertisement which the Summerfeld Company recently ran in the Sunday edition of the *Miami Herald*, inviting tourists to visit Miami (the home of "Dulce"), and enjoy Florida's balmy weather and sunshine there.

R. W. Bastian, well known salesman associated with Philip Morris & Company for a number of years, as Pacific Coast representative and later as Philadelphia representative, resigned from that company effective November 1st and has become associated with Stephano Brothers, 1014 Walnut Street, manufacturers of the well known "Rameses" cigarettes, and will represent that company in the future on their high-grade brands.

THE RAID ON THE SABINE WOMEN

"Nature in the Raw"—as portrayed by Saul Tepper...inspired by the story of the Roman warriors' ruthless capture of the Sabine village for the express purpose of carrying off its women (290 B. C.). "Nature in the Raw is Seldom Mild"—and raw tobaccos have no place in cigarettes.

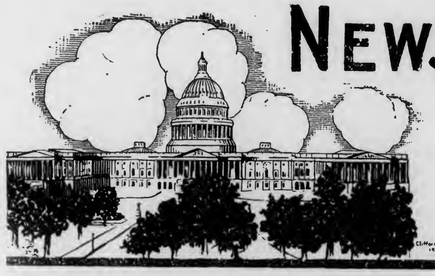
No raw tobaccos in Luckies —that's why they're so mild

Copr., 1932, The American Tobacco Co.

WE buy the finest, the very finest tobaccos in all the world—but that does not explain why folks everywhere regard Lucky Strike as the mildest cigarette. The fact is, we never overlook the truth that "Nature in the Raw is Seldom Mild"—so these fine tobaccos, after proper aging and mellowing, are then given the benefit of that Lucky Strike purifying process, described by the words —"It's toasted". That's why folks in every city, town and hamlet say that Luckies are such mild cigarettes.

"It's toasted"

That package of mild Luckies



NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

DISSATISFIED with the results of the miscellaneous taxes carried in the Revenue Act of 1932, industries subject to those levies are preparing for a descent upon Congress in December with a demand for a general manufacturers' sales tax.

Action paving the way for such a campaign was taken last month at the annual convention of the Federal Wholesale Druggists' Association in the adoption of a resolution criticising the present law as violating the "fundamental principle of the supreme law of the land" and giving unqualified approval to a general manufacturers' tax of 1¾ per cent., as proposed last session by Senator Walsh of Massachusetts.

This tax, it was set forth, would be a substitute for the present "discriminatory" provisions of the revenue law and was favored "because a general manufacturers' excise tax at a low rate, applied to all articles except food, clothing and medicine, would fall lightly and fairly on the necessaries and luxuries of life and be at least burdensome to all concerned."

Failure of the new taxes to return the revenues anticipated has resulted in an investigation by the Treasury to determine what action shall be recommended to Congress, with indications that repeal will be asked of a number of levies which return but little revenue.

Within the next month the Treasury will complete the program which it is to submit to Congress at the opening of the session, designed to safeguard the revenues during the remainder of the current fiscal year and throughout the fiscal year 1934. There is already a heavy deficit which, in view of the unsatisfactory returns from the new revenue law, threatens to increase during the remainder of the year.

The Treasury last session strongly approved the general manufacturers' sales tax. In the event that the coming session of Congress shows the same opposition to that method of raising revenue as was evinced last session, however, the Treasury is expected to designate a series of commodities and services on which special taxes can be imposed or existing levies increased.

It is understood, in this respect, that officials are giving some consideration to the tobacco taxes, and that an increase of $2 has been suggested in the rates on cigars. However, in view of the fact that cigar sales have declined materially during the depression period, it is not believed that the Treasury will view this suggestion with favor.

Amendment of the antitrust laws so as to make legal agreements between business men to stabilize prices where such action is not against the public interest will be urged upon Congress in December.

Trade organizations meeting during the past few months have given considerable attention to the situation in which business has found itself during the depression as a result of the restrictions of antitrust laws enacted from eighteen to thirty-two years ago.

The consensus among business men generally is that these laws are not only failing to accomplish the purpose intended by Congress in passing them—the preservation of competition for the protection of the consuming public—but under present conditions seem to be promoting the development of monopolies of production and distribution of necessities and luxuries of life by permitting destructive competition to run wild.

Campaigns to "sell" Congress and the general public on the advantages of price-maintenance legislation must be promoted before it can reasonably be expected to secure enactment of the Capper-Kelly Fair Trade Bill, according to prominent business executives recently in Washington.

The legalization of contracts between producers and distributors stipulating the resale price on competitive trade-marked articles, it was declared, "would check ruinous price cutting, responsible in a large measure for the present demoralization of business."

However, it was added, "the bill cannot reasonably be expected to pass the Senate and the House unless and until it is sold to a majority of the members of Congress and to the consuming public as a proposed law designed to save the consuming public from ultimate monopoly of production and distribution of necessaries and luxuries of life."

The same is true, it was said, of the bills introduced last session by Senator Nye of North Dakota, amending the Federal Trade Commission Act by legalizing agreements by trade associations to enforce trade practice rules approved by the Commission, creating a Federal trade court for the settlement of trade controversies, and prohibiting the sale of merchandise below cost as a trade incentive for the purpose of injuring a competitor.

Something for pipe smokers to think about!

ABOUT the year 1864, farmers began to grow what is known as White Burley Tobacco. A few casks of this tobacco were taken to the St. Louis Fair in 1867 and sold for 58c a pound.

White Burley Tobacco is used to make Granger. This tobacco is the best pipe tobacco that grows.

You will notice the difference as soon as you light up your pipe of Granger. There is a most pleasing aroma. It burns slower, and every smoker who tries it says that it smokes cooler and never gums a pipe.

America's pipe tobacco

YOU CAN DEPEND ON A LIGGETT & MYERS PRODUCT

TAMPA TURNING TO LADIES' CIGARS

FROM REPORTS received on the production of the Tampa cigar factories a most astounding fact is noted. With an output of over 36,000,000 cigars for the month of October over two million were distinctly ladies' cigars.

Most of the factories here produce a special size particularly adapted for ladies, ranging in size from two inches to two seven-eighths inches, and approximately the thickness of a lead pencil.

When this idea was introduced approximately a year ago, the output began with about 20,000 cigars a month and has risen by leaps and bounds up to the present time when the 2,000,000 mark was reached. Retailing at 5 cents each, with a number of 10-cent and 15-cent sizes, and packed five to a package in a cellophane tube, the ladies have given them their stamp of approval.

The particular impetus given to the production of ladies' cigars last month was caused by the demand for packages of 50 and 100 cigars to be utilized as Christmas gifts and will no doubt solve many a problem along this line during the coming month. They have also proven most successful as bridge prizes.

True to the ideal of cigar manufacture in Tampa, these ladies' cigars are all of a long filler, clear Havana, with the wrapper of the same kind, Spanish hand-rolled method.

BETTER TOBACCO SORTING PAYS

Virginia fire-cured district tobacco growers who are now stripping out their crop in preparation for the coming market, are urged by the Bureau of Agricultural Economics, United States Department of Agriculture, to be more careful in sorting and tying. Charles E. Gage, marketing specialist in charge of the bureau's Tobacco Section, says that a little extra care in the preparation of tobacco for market brings better prices to growers.

The leaf, Mr. Gage says, should be sorted more closely than has been the practice, so that the bundles and the lots may be composed of uniform lengths, colors, and qualities. Tobacco of mixed grades invariably is penalized. Especial care to keep out green or immature leaves, to make the bundles small, and tie them neatly is urged. Large bundles and carelessly tied bundles are not favored by buyers. Carefully sorted tobacco neatly tied in small heads, Mr. Gage says, requires less rehandling at the factory and almost invariably commands a higher price.

Expert graders of the Federal-State tobacco grading service will operate at Lynchburg, Farmville, Blackstone, Bedford, and Drakes Branch, Va., when the market opens November 15th. These graders will be glad to inform farmers as to correct sorting methods.

McKESSON & ROBBINS REDUCES LOANS

McKesson & Robbins, Incorporated, manufacturers and distributors of drugs and allied products, reduced its outstanding bank loans and letters of credit from $4,820,000 as of December 31, 1931, to $2,900,000 as of August 31, a reduction of $1,920,000, or 40 per cent. F. Donald Coster, president, announced.

Since August 31, bank loans and letters of credit have been further reduced to approximately $2,070,000, or 43 per cent. for the year to date.

A. B. NEWMAN RUMOR DENIED

JACK NEWMAN, head of the well-known importing and manufacturing firm of A. B. Newman Company, 288 East Houston Street, New York City, advises in reference to the apparently malicious rumor which appears to have been circulated to the effect that the A. B. Newman Company is being liquidated; is going out of business, etc., that he desires to most energetically deny the truth of such rumor, since they are absolutely with any foundation in fact.

The business, established in 1888, and supplying a vast variety of specialties in smokers' articles, imported tobacco products, etc., to jobbers as well as to dealers from coast to coast, has for a good many years been under his own active management, and since the recent passing of Mr. A. B. Newman, he has taken over complete ownership of the business as well.

He also advises there will be no change in the policies of the business, which were laid down practically forty-five years ago, and the firm will continue to honestly and conscientiously serve the trade in general as heretofore.

CLAIM UNITED SECURITIES UNDERVALUED

Counsel for a group of landlord creditors on November 2d in New York, before Referee Irwin Kurtz, attempted to support a claim that the stock and bond holdings of the bankrupt United Cigar Stores Company of America and its Delaware subsidiary were greatly undervalued in the schedules.

Mortimer Hays, counsel for the landlord group, contended that securities which were carried in the schedules at $1,250,000 were actually worth upward of $20,000,000.

In his questioning of A. C. Allen, vice-president of the concern, Hays, as he read off the items from the schedules, met repeatedly with distinctions drawn between "book value," which was the way the securities were carried in sworn financial statements of the firm, and "realizable value," which was the way they were carried in the schedules.

As the various items were checked, Allen acknowledged that his efforts to dispose of the securities were confined to talks with individuals and that no effort was made to dispose of them through brokerage houses. Allen said that when his personal negotiations fell through he fixed the valuations as "guesses."

Allen said that the people to whom he tried to sell the stocks and bonds after the cigar firm went into bankruptcy in August were "not interested" because of their own financial condition.

WEBSTER EISENLOHR REPORTS

Webster Eisenlohr, Incorporated, reports for the quarter ended September 30, net loss of $36,194 after expenses, taxes, etc., comparing with net loss of $145,071 in the preceding quarter, and net profit of $26,354 in the September quarter of last year.

For the nine months ended September 30, net loss was $216,211 after taxes and charges against net loss of $206,900 in the first nine months of 1931.

CONSOLIDATED CIGAR EARNINGS

The Consolidated Cigar Corporation reports for the nine months ended September 30, net profit of $718,293, equivalent to 39 cents a common share. This compares with $1,526,970, or $3.50 a common share, in the first nine months of 1931.

HERE'S A NEW RALEIGH SALES HELP

Display it on your counter!

THE recent price reduction of Raleigh Cigarettes has increased sales tremendously. Now we offer you another sales help to increase your Raleigh sales still further.

Coupons redeemable at Louisville, by mail, for high-grade initialed playing cards of the U. S. Playing Card Company are now inserted in every package of Raleigh Cigarettes. Redemption value—50 coupons, one deck of cards; 85 coupons, one bridge set (two decks of same design but different colors).

Most of your customers are card players. Card players and Raleighs go hand in hand. They'll welcome this method of obtaining good playing cards with their own initials. Simply use the carton display prominently and talk the coupons to your customers. Increased Raleigh sales are sure to follow.

Cork Tips at No Extra Cost

BROWN & WILLIAMSON TOBACCO CORPORATION, LOUISVILLE, KY.

Target Cigarette Tobacco, Wings Cigarettes, Golden Grain Smoking Tobacco and Sir Walter Raleigh Smoking Tobacco are others in the group of well-known B & W products.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

DEPARTMENT LEASING IN RETAIL STORES

Detailed Merchandising Knowledge

(Continued from previous Issue)

Some retailers think there is no economy in acquiring knowledge of the specialized operation details of departments which they regard as comparatively unimportant additions to the store.

Survey of Results

If the retailer's anticipations of bettering the store through renting some departments were always justified by the results obtained in actual practice, the motives for leasing, as discussed in the preceding section, would duplicate what might be said concerning the advantages. Contrary to this, there is a wide divergence of opinion with regard to results.

The conflicting statements received from the retail field undoubtedly represent the facts as found under different conditions. Therefore the advisability of leasing in the future is a question to be determined by the circumstances of the individual case, the individual store, and the community. Nevertheless, the general view relative to what occurs in the majority of cases indicates what is possible or probable under certain conditions. This supplies a background against which to estimate what can reasonably be expected under specific circumstances known only to the parties who, in each case, must decide whether it is best to lease important departments, unimportant departments, or none at all.

What Leasing May Do for the Department

Though it is evidently impossible to find one point from which the many-sided question of leasing is viewed alike by all, the nearest approach to agreement is found in opinions concerning what effect renting usually has on the particular section of the store which is leased.

In the first place, most retailers agree that a vast distinction should be made between the leasing of departments previously referred to as "specialized" or "service sections" and those designated as "merchandise sections." Both may prove of service to the public but they are minor and major departments with respect to their relative importance in the store's retailing business.

The following excerpt from a statement received from the north-central district is typical of the country-wide opinion furnished with reference to the renting of minor sections:

"There are more or less profitless departments which a retailer sometimes retains in his store in order to make it as attractive and convenient as other stores of the same type. Often they call for special knowledge, though the amount of business in these sections is insufficient to warrant the store in paying the high salary demanded by a capable department manager. The retailer is playing safe in renting such departments. The persons leasing are usually specialists who have a chain of leased departments and, because of the profit resulting from the operation of the entire chain, can afford to do whatever is necessary to make a success of each unit; or the renter may be an individual not available for hire, who is known to be an expert in that line. In practically every case the stores here have found that they can make more money by leasing these minor sections than they could if they operated them as a regular part of their business."

The departments referred to above range from sections such as the optical, beauty parlor, and restaurant, to those handling merchandise that constitutes a very small percentage of the store's business (glassware for example). Considering only what happens to the department itself, without reference to its relation to the rest of the store, it is generally conceded that the average department store can not afford to concentrate on making a success of minor sections; consequently the lessee specialist has the advantage when it comes to building up a department of this kind.

When the department is one of the major merchandise sections, few retail store proprietors will admit that the lessee can accomplish more in the department than the store is able to. However, a careful proprietor or store manager will lease only to a tenant who has proved his ability by building up similar sections in other stores; and before renting an important department the manager is likely first to convince himself of his own inability to operate that department successfully. It often follows that in checking results a comparison is made between the most efficient type of lessee and the least efficient type of store manager. Therefore, the survey shows more than might otherwise appear in favor of the lessee specialist's ability to surpass the store in managing a major section.

It has been said that of all merchandise departments those carrying style goods are most frequently leased. It should be mentioned here that while, for reasons referred to in the preceding section, the syndicates renting these departments are sometimes able to operate with success where the store manager has failed, this result is by no means a certainty. The lessee's recognized advantage lies in his greater knowledge of the merchandise, gleaned from specialization and standardized methods throughout the chain, and in quantity buying for distribution to the various departments. He has little opportunity, though, to become an expert judge of the preferences peculiar to the types of people in any one community. A hat or suit has attractive "style" only when suited to the person wearing it. Consequently the syndicate's skillful selection for general distribution is not appreciated alike by the patrons of all leased departments in the chain, and the savings to the individual department through price concessions secured in quantity buying may sometimes be offset by the mark-downs which follow.

(Continued on Page 14)

PHIL M. PHULOFAX,★ D.B.I.
(the retailer's friend)
says:

Copyright 1932 Bayuk Cigars, Inc.

Folks, here's your 1932

CHRISTMAS POSTER

Absolutely FREE Send for it today

Did it again, b'gosh! Saw with my far-sighted specs that Christmas is coming. Knew, from past experience, that you'd again be looking for something from me to help you make a clean-up on Holiday sales. Got my agile legs to carry me to the seventh floor of the big Bayuk factory for an interview with the Bayuk Executive-committee-on-ways-and-means-to-help-t h e-retailer.

Said I, "Our friends in the cigar-retailing field want another sales-making Christmas poster—like we've been giving 'em the past several years."

"Okeh!" voted the Committy—with enthusiasm. (Swell fellows, those Bayuk people!) And above you see a reproduction of what they've designed for us. It's a peach of a poster!—Christmasy, multi-colored, attention-getting, 7 inches wide by 20 inches long—and all ready gummed for easy placing on window or in some other conspicuous location.

How many of you cigar retailers want one for your big drive-of-the-year? I gotta know quick. The supply will be limited to the actual number of requests. And the printers have already started the job. So, get busy and write for the poster at once. A postal will do. Simply say, "Dear Phil, send Christmas poster"—and write your name and address plainly. (All requests must reach me not later than December 1st.)

Remember, this poster is absolutely free. No obligation whatever. No Bayuk advertising on it. Just a bit of friendly helpfulness from Bayuk and me. I sure want you to have a copy. But, naturally, I can't send it 'less I know who and where you are. Therefore and consequently, get out that pencil and postal (or paper and envelope) and get this detail of your Holiday sales preparation off your mind.

THEN—order your Holiday stocks immediately. And select good cigars—the kind that'll win Christmas-cigar smokers to you forever after. The Christmas season represents not only your high-water mark in cigar sales, but also your big opportunity of the year to make and hold a lot of new customers. In subsequent messages I'll be giving you some up-to-date selling strategy for the occasion.

Address your poster request to Phil M. Phulofax, c/o Bayuk Cigars Inc., 9th Street and Columbia Avenue, Philadelphia, Penna.

Phil M. Phulofax★
D. B. I.

★Associated with BAYUK CIGARS INC., *Philadelphia*
Makers of fine cigars since 1897

P. S.—Don't wait. Send for that poster NOW. I'm giving you everything but pencil and paper. Use 'em, so I can mail your poster.

BAYUK BRANDS BUILD BUSINESS

BAYUK PHILADELPHIA CIGAR *(BAYUK "PHILLIES")* BAYUK HAVANA RIBBON
BAYUK MAPACUBA PRINCE HAMLET CHARLES THOMSON

RETAIL STORE PROBLEMS

(*Continued from page 12*)

In cases where leasing does prove of immediate advantage to major departments there is still a question as to how long this advantage can last. When renting a minor section the proprietor disclaims any close connection between his business of retail merchandising and the kind of skill attached to the operation of a barber shop or other specialized section. As a merchant, he sees no necessity of becoming an expert in that direction. On the other hand, he realizes the vital relationship between his success as a merchant and his ability to manage all important merchandise departments in his store. He intends, as a rule, to become proficient in operating all major sections, even though, for lack of capital or experience, he may lease some of them temporarily. When the time comes for taking over the rented merchandise department the proprietor finds that with the expiration of the lease he loses the tenant's expert knowledge, the chain's buying power, and much of whatever else was considered of advantage under the lease, and he can not continue successful operation unless he can follow up the lessee's standardized methods with a department manager of equal or superior skill. Such being the case, the retail store owner is faced with the original problem of employing a manager who can satisfactorily compete with all other stores and with outside organizations in managing that important part of his store.

Summing up the effect renting has on the departments leased, results reported lead to conclusions as follows:

Minor Sections.—(*a*) Where special knowledge other than merchandising knowledge is required in a department a lessee specialist is ordinarily better able than the store to make a success of the department.

(*b*) When the relative volume of sales in a department is too small to justify the store's employing a department manager, leasing will often enable such a department to be operated without financial loss.

Major Sections.—(*a*) As between an efficient lessee and an inefficient store manager the returns from the department will ordinarily be greater if its management is placed in the hands of the former.

(*b*) A capable retail store proprietor who builds for permanent success in each merchandise department finds that, except under rare circumstances, the best results in any major department come from keeping it under store management.

Possible Advantages and Disadvantages

1. Rented sections may do profitable business at the expense of other departments. After thorough investigation of available tenants a store which is losing money in some department under its management may find exactly the right type to operate successfully that particular section, and the tenant, under the terms of the lease agreement, may pay over to the store an amount far in excess of net profits previously earned by the department. Still there is a question as to whether the leased section is an advantage or a disadvantage to the organization as a whole. There is a possibility that either directly or indirectly the rented section costs the store more than it repays.

It can readily be seen that if the leased section be given more than its proportionate share of such business assets as the show window, advertising cuts, or favorable floor location and less than its proportionate share of administrative expense it may show a misleading record of profit, for without these extra privileges the lessee in many cases could not profitably operate a department which the store had failed to make pay. A fair comparison can be obtained only by having all departments operate on an even basis. Or, if any difference is made, because of special weakness in the rented section, proper accounting methods will take into consideration the value of extra favors and store service, so that any record of increased profit in the leased section will represent actual profit to the store rather that a loan from store-managed sections, whose involuntary contributions to the success of the rented section resulted in a corresponding record of loss in the unleased departments. (This possibility is emphasized here in order that it may be properly considered in connection with the leasing contract referred to later.)

2. Leasing imperils centralized control. The possible danger to its complete control is a still greater disadvantage to the store, for the loss which sometimes results may be only indirectly traceable to the tenant and is more difficult to measure or forestall. In a store, as well as in any other well-organized institution, it is evident that there must be a strong centralized management. Any division of authority may harmfully affect the morale of the institution, and with all possible care in making the contract it is difficult to bring an independent manager into the store without creating a division of authority with regard to some phase of merchandising.

3. Leasing may jeopardize the store's good will. As an individual must rely upon the honor of one whom he accepts as a member of his household, so to a certain extent must the retail store owner trust to the reliability of his department lessee not to abuse the relationship which, in the eyes of the public, exists between the rented department and the store. According to his legal obligations, the lessee is an independent element except for those specific restrictions which the merchant foresees should be written into the terms of the contract as a protection to the store.

The lessors themselves grant that it is usually no reflection on the tenant if his methods of making his business profitable do not happen to be methods which will advance the store's interests. In order to secure the lease the renter must offer what appears to be a fair rental for the space desired, and he is justly concerned with making the leased space profitable to himself. While it is true that serious loss of good will and failure on the part of the store would in all probability terminate the lease and the lessee's opportunity to profit thereby, it is equally possible that the lease will be terminated when the store becomes sufficiently prosperous or skillful to take over all departments. The realization that the store may refuse to renew the lease and that the lessee may have but a short time in which to achieve his purpose naturally may tend to inspire him with a desire to work for quick profits without considering methods which will best preserve the good reputation of the store.

Therefore, notwithstanding the known integrity of the average department renter and the reasonable assumption that he desires to co-operate, overshadowing the leasing arrangement is the proprietor's apprehension that at any time the lessee may omit or commit some act which will tend to undermine the store's good will.

As a matter of fact, there are many illustrations to show that a slight divergence from the store's established policy relative to returned merchandise, credit,

(Continued on Page 18)

An Attractive Package Is A Sales Essential For Good Merchandise

Attractiveness is an important factor in selling any product. A good personal appearance is a requisite of a successful salesman.

A substantial and attractive package is an essential in the merchandising of good cigars. The customer seeking a cigar from the many brands on display is instinctively drawn to the exceptional container.

The new improved "AUTOKRAFT" cigar box commands attention throughout the trade. It is an important sales help to the cigar manufacturer seeking to increase the distribution of his brand.

This splendid "AUTOKRAFT" container may prove to be the determining factor in bringing your brand into the spotlight.

AUTOKRAFT cooperative service is an outstanding contribution to the industry.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

SMOKERS SAVE AS NICKEL CIGARS GO THREE FOR TEN

THRIFTY American smokers are saving daily thousands of nickels by taking advantage of the drastic price reduction recently announced by one of the country's largest cigar manufacturers in a series of large advertisements published in newspapers throughout the country. "Twenty words, no more, no less!" is the slogan of this new campaign which proclaims that "Cremo" cigars will now be sold to smokers at "5 cents straight . . . 3 for 10 cents."

The effect of this announcement was reflected immediately in a tremendously increased demand for the product, according to the manufacturers, the American Tobacco Company, who stated emphatically in their announcement that there will be absolutely no change in the quality, size or shape of the cigar.

Newspapers were chosen to make the announcement, executives of the company said, because they are the most effective way of reaching the American public quickly.

CANADA CUTS CIGARETTE TAX

According to reports from Ottawa, cheaper cigarettes and liquors will result in Canada from a bill passed on November 7th by the House of Commons. The bill cut the excise tax on Canadian cigarettes from $6 to $4 a thousand and the excise tax on Canadian liquors from $9 to $7 a proof gallon. E. B. Ryckman, Minister of National Revenue, estimated that the national treasury would lose $7,000,000 to $8,000,000 a year if consumption remained stationary.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va.	President
CHARLES J. EISENLOHR, Philadelphia, Pa.	Ex-President
JULIUS LICHTENSTEIN, New York, N. Y.	Vice-President
WILLIAM BEST, New York, N. Y.	Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y.	Vice-President
GEORGE H. HUMMELL, New York, N. Y.	Vice-President
H. H. SHELTON, Washington, D. C.	Vice-President
WILLIAM T. REED, Richmond, Va.	Vice-President
HARVEY L. HIRST, Philadelphia, Pa.	Vice-President
ASA LEMLEIN, New York, N. Y.	Treasurer
CHARLES DUSHKIND, New York, N Y	Counsel and Managing Director

Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio	President
CHAS. B. WITTROCK, Cincinnati, Ohio	Vice-President
GEO. S. ENGEL, Covington, Ky.	Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio	Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City	President
MILTON RANCK, Lancaster, Pa.	First Vice-President
D. EMIL KLEIN, New York City	Second Vice-President
LEE SAMUELS, New York City	Secretary-Treasurer

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ALBERT FREEMAN, New York, N. Y.	First Vice-President
IRVEN M. MOSS, Trenton, N. J.	Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J.	Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN	President
SAMUEL WASSERMAN	Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo.	President
E. ASBURY DAVIS, Baltimore, Md.	Vice-President
E. W. HARRIS, Indianapolis, Ind.	Vice-President
JONATHAN VIPOND, Scranton, Pa.	Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio	Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J.	Secretary

CIGAR MANUFACTURER'S MEETING

(*Continued from Page 3*)

"I have reason to know that nearly every man present has come to this meeting with one or more ideas for meeting the situation which confronts us, but let us approach this search for a solution of our problems with open minds. We should come not so much with the desire to see our pet notions adopted, but with the underlying thought of organized action. Let us adopt the program which the majority considers most feasible and most likely to be effective.

"I hope that this meeting will mark a beginning of definite co-operative and constructive action.

"Let us appreciate the fact that the situation in which we now find ourselves is a development of years, which cannot be corrected in a day, a week or a year.

"Before we leave here, let us have accomplished something definite, bearing in mind, as I have suggested, the pressing need for the proper co-operation, in order to move toward our goal."

Following Mr. Duys' address there was a general discussion of the problems confronting the industry and plans for the betterment of the industry, and it was finally decided to appoint a committee to seek outside advice on a national exploitation campaign.

The members of the committee, to be chosen by Mr. Duys, will first present the facts of their case to this outside group or concern. Several suggestions for increasing the popularity of cigars were advanced at the meeting. One was to promote the cigar as a more manly and virile smoke than the cigarette. Another proposed the distribution in American colleges of cigars wrapped in the various college colors.

Nearly all the manufacturers and dealers present agreed that women have played an important part in discrediting the cigar and glorifying the cigarette.

Among the speakers were William Best, of the General Cigar Company; Frank P. Will, of the G. H. P. Cigar Company; Harvey L. Hirst, of Bayuk Cigars, Incorporated, and Joseph Newman, of the M. & N. Cigar Manufacturers, Incorporated.

During the course of the discussion, Matthew Woll, vice-president of the American Federation of Labor, was accorded the privilege of the floor upon his own request, and made an address on the subject of prohibition.

Among the manufacturers represented at the meeting were the following: Alles & Fisher, Incorporated, Boston; Benson & Hedges, Incorporated, New York; Bayuk Cigars, Incorporated, Philadelphia; Harry Blum, New York; Bobrow Brothers, Incorporated, Philadelphia; H. Anton Bock & Company, New York; T. E. Brooks & Company, Red Lion, Pa.; R. A. Bachia & Company, New York.

Consolidated Cigar Corporation, New York: Congress Cigar Company, Newark, N. J.; Deisel-Wemmer-Gilbert Corporation, Detroit; H. Fendrich, Incorporated, Evansville, Ind.; Frings Brothers, Philadelphia; General Cigar Company, New York; Gradiaz, Annis & Company, Tampa, Fla.

D. Emil Klein Company, New York; E. A. Kline & Company, New York; I. Lewis Cigar Manufacturing Company, Newark, N. J.; M. & N. Cigar Manufacturers, Incorporated, Cleveland; Jose Martinez & Company, Brooklyn, N. Y.; Porto Rican-American Tobacco Company, Newark, N. J.; E. Popper & Company, New York.

E. Regensburg & Sons, New York; R. G. Sullivan, Incorporated, Manchester, N. H.; Schwab, Davis y Ca., New York; Max Schwarz, New York; John H. Swisher & Sons, Jacksonville, Fla.; A. Santaella & Company, Tampa; G. W. Van Slyke & Horton, Albany, N. Y.; H. Traiser & Company, Incorporated, Boston, Mass.; Waitt & Bond, Incorporated, Newark, N. J.; Webster Eisenlohr, Incorporated, New York, and Yocum Brothers, Reading, Pa.

NEW SALES HELP FOR "RALEIGHS"

THE Brown & Williamson Tobacco Corporation, announce on another page of this publication a new sales help for retailers of "Raleigh" cigarettes, in the form of valuable coupons now being inserted in every package of "Raleigh" cigarettes. These coupons are redeemable at the rate of fifty coupons for one high grade initialed pack of playing cards, manufactured by the U. S. Playing Card Company, and eighty-five coupons are redeemable for one bridge set, containing two packs of these high-grade cards, each pack a different color but of the same design.

The coupons are proving a valuable aid in increasing the sale of this popular brand of cigarettes.

B. WASSERMAN IN NEW QUARTERS

The B. Wasserman Company, old established firm of cigar and tobacco distributors, has moved from 83 Chambers Street, New York City, to 79 Madison Avenue, where they are welcoming their customers in larger and more modern quarters.

The new offices occupy the entire second floor of the building comprising 22,500 square feet of space, are more centrally located than at the former address, and are laid out with an idea of promoting efficiency, with suitable offices for private conferences.

Near the elevator is a retail stand which will show retailers attractive ways in which to display the various brands of cigars. The offices are in the front of the building, well supplied with plenty of natural light through the spacious windows.

The humidor is capable of holding approximately 3,000,000 cigars, and there is also a refrigeration room for candy. Both are located in the rear of the building, of the most modern construction, and compare favorably with the finest in the country.

The Wasserman Company is one of the most progressive wholesale firms in the country, and has recently acquired the distribution of "Apollo" chocolates.

CIGARETTE COUPONS FOR MONEY

According to report of Assistant Trade Commissioner Carl H. Boehringer, Batavia, to the Commerce Department, cigarette coupons are now being used by natives in Java in exchange for a diverse variety of merchandise. For some time past actual money among the native Javanese has become increasingly scarcer, it is pointed out.

The sale of American cigarettes, with which no coupons are offered, is reported feeling the effect of the present competition, as the Javanese native is more attracted by the chance of gaining a premium than in the quality of the cigarette. The giving of coupons by domestic manufacturers is expected to further stimulate the sale of their cigarettes to the native population which constitutes one of the largest markets in the Far East.

LORILLARD ANNOUNCES CHRISTMAS PACKINGS

THE P. LORILLARD COMPANY announces that the following brands will be packed with Christmas wrapping to meet the requirements of the holiday trade this year and will be ready for shipment on and after November 20, 1932:

"Old Gold" cigarettes in packages of 12, 20 and 50 cigarettes in cartons, and the 50's in special packings of 100. Also "Murad" and "Helmar" in packages of 10 cigarettes in cartons of 100.

"Between the Acts," "Le Roy" majors, and "Royal Bengals" little cigars will also be in special Christmas packings.

There is no extra charge for any of the above Christmas packings and they will be billed at the regular list prices and subject to the usual trade discounts.

The Lorillard Company reserves the right to cancel or reduce any orders for Christmas wrapped cigarettes and little cigars which for any reason they are unable to fill in the quantities specified.

All orders are subject to acceptance by the New York office of the company, and if accepted will be filled at prices ruling on day of shipment.

They also announced that they have "Union Leader" redi-cut humidors in an individual Christmas decorated carton, and a limited quantity of "Union Leader" redi-cut humidors with pipes, the same as was available last year. Both styles are packed in shipping containers of six humidors.

REDUCTION OF TOBACCO AREA IN ITALY

In September it was announced that the Government had determined to reduce the acreage planted to tobacco in Italy, owing to the inability of the Tobacco Monopoly to absorb the present production, reports Commercial Attache Mowatt M. Mitchell to the Tobacco Division of the Department of Commerce. The Gazzetta Ufficiale of October 6, 1932, carries Royal Decree Law of September 22, 1932, giving effect to that decision. In translation, the pertinent parts of the decree read as follows:

Art. 1. Commencing with the 1933 campaign the area authorized to be planted to tobacco for the use of the State factories is reduced as follows: First—For dark smoking and blending tobacco, 20 per cent. Second—For tobacco from Levantine seed, 15 per cent. These reductions apply without distinction to all varieties with the exception of Maryland, Burley and Bright of Virginia, the production of which varieties is below the needs of the Monopoly.

Art. 2. For the 1933 campaign, and as a special concession, the cultivation of an additional acreage of 5 per cent. on the reduced acreage will be permitted for the purposes of export. In case it has not been possible to export tobacco so produced by the 31st of December, 1935, the State Monopoly will buy it at a price based on the prices of the various types as raised for the Monopoly, with a reduction of 20 per cent. In the case of such purchases, however, the seller will be compelled to reduce the acreage to be planted for the next campaign in proportion to the amount of tobacco so bought. No advances or subventions will be made on tobacco so planted for export.

Art. 3. For successive campaigns after 1933, the State Monopoly will establish, campaign by campaign, the acreages to be planted for the use of the State factories.

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD MANUFACTURING FIRM OF HAVANA QUALITY CIGARS will serve orders in any quantity to discounting dealers, at profitable prices. Satisfaction guaranteed. Address for particulars "Fair Dealing", Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Trade Notes

R. B. Christian, who has succeeded R. W. Bastian as Philadelphia representative of Philip Morris & Company, Limited, has been busy renewing old acquaintances in town and putting in some good work on "Marlboro" cigarettes at the same time. Mr. Christian is a well experienced tobacco man, having spent most of his life affiliated with the tobacco industry, and has been with Philip Morris & Company for several years in other territory. He reports "Marlboro" cigarettes showing a nice increase in sales this year as compared with last.

The Bayuk cigar factory at Ninth and Columbia Avenue was recently visited by no less a notable than Count Felix von Luckner, the German sea raider, who played such havoc with enemy shipping during the World War, but without the loss of a single human life. The Count is now in this country on a good will lecture tour, and made an inspection trip through the Bayuk factory and took a keen interest in details of Bayuk methods of sanitary cigar manufacturing. He even gave up his favorite pipe long enough to be photographed while smoking a cigar, and declared he enjoyed every minute of his visit at the Bayuk factory.

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATIONS

TAMPANOLLA:—46,111. For all tobacco products. September 26, 1932. Havatampa Cigar Co., Tampa, Fla.

OLD KILLBUCK:—46,090. For cigars. September 9, 1932. Baker and Leguillon Brothers, Killbuck, Ohio.

CHELMSFORD:—46,100. For cigars. October 13, 1932. David Godfrey, Lowell, Mass.

BETTER BUSINESS:—46,103. For all tobacco products. October 6, 1932. Bayuk Cigars Incorporated, Philadelphia, Pa.

TRANSFERS

BUFFALO CLUB:—16,551 (U. S. Tobacco Journal). For cigars. Registered October 8, 1895, by H. Tietig & Bro., Cincinnati, Ohio. Through mesne transfers acquired by D. Emil Klein Co., Inc., and re-transferred to The Buffalo Club, Buffalo, N. Y., October 18, 1932.

BURBURY:—44,349 (T. M. A.). For all tobacco products. Registered August 14, 1925, by Joseph T. Snyder, Buffalo, N. Y. Transferred by William E. Mathias, Inc., successors to original registrants, to D. Emil Klein Co., Inc., New York, N. Y., October 18, 1932.

BIG BIZ:—30,767 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered March 4, 1915, by Pasbach-Voice Litho. Co., New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to original registrants, to Bayuk Cigars Incorporated, Philadelphia, Pa., October 22, 1932.

BUSINESS:—7,411 (Trade-Mark Record). For cigars. Registered November 29, 1890, by Harris & Sons, New York, N. Y. Transferred by Consolidated Litho. Corp., Brooklyn, N. Y., successors to original registrants, to Bayuk Cigars Incorporated, Philadelphia, Pa., October 22, 1932.

OLD KILLBUCK:—46,090 (T. M. A.). For cigars. Registered September 9, 1932, by Baker & Leguillon Bros., Killbuck, Ohio. Transferred to Leguillon, Baker, Leguillon, Killbuck, Ohio, October 24, 1932.

CHIEF KILBUCK (U. S. Tobacco Journal). For cigars. Registered October 20, 1902, by Schmidt & Co., New York, N. Y. Transferred by Consolidated Litho. Corp., successors to original registrants, to Leguillon Brothers, Killbuck, Ohio, and re-transferred to Leguillon, Baker, Leguillon, Killbuck, Ohio, October 24, 1932.

TAMPA TROPICS:—39,850 (T. M. A.). For cigars and tobacco. Registered August 24, 1916, by The Dow Drug Company, Cincinnati, Ohio. Transferred to Berriman Brothers, Inc., Tampa, Fla., June 9, 1930.

PROMISE:—25,182 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered December 9, 1912, by Kaufman, Pasbach & Voice, New York, N. Y. Transferred by Consolidated Litho. Corp., successors to original registrants, to Bayuk Cigars Incorporated, Philadelphia, Pa., October 31, 1932.

TAMPANELLA:—23,732 (Tobacco Leaf). For cigars, cigarettes and tobacco. Registered August 8, 1902, by Theobald & Oppenheimer Co., Philadelphia, Pa. Transferred by General Cigar Co., Inc., successors, to Consolidated Litho. Corp., and re-transferred to Havatampa Cigar Co., Tampa., Fla., October 25, 1932.

TAMPAROLA:—20,140 (U. S. Tobacco Journal). For cigars. Registered May 28, 1898, by Krueger & Braun, New York, N. Y. Transferred by Consolidated Litho. Corp., successors to original registrants, to Havatampa Cigar Co., Tampa, Fla., November 1, 1932.

TAMPIOLA:—20,032 (Trade-Mark Record). For cigars, cigarettes and tobacco. Registered December 2, 1898, by Geo. S. Harris & Sons, New York, N. Y. Transferred by Consolidated Litho. Corp., successors to original registrants, to Havatampa Cigar Co., Tampa, Fla., November 1, 1932.

HAVANITY:—27,833 (Tobacco Leaf). For cigars, cheroots, cigarettes, smoking, chewing, fine cut and plug tobacco. Registered June 16, 1904, by Michigan Cigar Box Co., Detroit, Mich. Transferred to Robert Hernandez and Josie Hernandez, Detroit, Mich., October 1, 1919.

FIRST PREFERRED:—40,658 (T. M. A.). For cigars and cigarettes. Registered April 28, 1918, by F. M. Howell & Co., Elmira, N. Y. Through mesne transfers acquired by Consolidated Litho. Corp., and re-transferred to Bayuk Cigars Incorporated, Philadelphia, Pa., November 4, 1932.

NEW "SPEAR-O-MINT LIFE SAVERS" PROVE VALUE OF "CONSUMER ENGINEERING"

"Consumer engineering" may be a strange term to apply to the creation and marketing of a five-cent candy, but the rousing reception that is being accorded the new spearmint-flavored addition to the "Life Savers" line is proof that it pays.

Ordinarily, a new creation in candy is looked on as a lucky accident. Somebody says, "let's make this or that flavor" and it's a success or a flop, depending on that one somebody's judgment and intuition as to what the candy consumer will accept. Just about as sure fire as picking a derby winner or a Broadway stage hit.

Which is the reason that the new "Spear-o-Mint Life Savers" are being watched with such interest in the trade. For this new "Life Saver" flavor has been literally "engineered" to fit the public taste, as a piston might be in an expensive automobile motor.

Instead of a hit-or-miss choice of a flavor, for example, a very thorough analysis of the public preference in flavors was made when it was decided to make another addition to the line. Ratings were given flavors based partly on the demand expressed for them in sales, and partly on the geographical distribution of the preference for each flavor.

After it had been determined to make a spearmint-flavored candy, thousands of variations of the flavor were made up, and extensive consumer tests carried out to arrive at just what formula was most acceptable to the most consumers.

Then, selling tests were instituted. Test stocks were placed in hundreds of stores in several cities, covering every type of store and neighborhood. And the sales reaction was carefully watched.

As a result, the new "Spear-o-Mint" is certain to build a very large following that should make it one of the headliners in the "Life Savers" sales.

RETAIL STORE PROBLEMS

(*Continued from page 14*)

courteous service, or prices to conform with neighborhood practice may be sufficient to turn away patronage acquired through many years of just dealing. For instance, one department store manager said that when a customer of long standing suddenly closed her account with the statement that "everything in the store is too high" he was fortunate in being able to discover that a seventy-five-cent club sandwich purchased in the store's subleased restaurant was the basis of her idea with regard to the store's exorbitant prices. Upon investigation the manager found that the lessee who operated that section would lose if he undertook to serve a good club sandwich for less than seventy-five cents and other items on a consistent scale. He also discovered that the two near-by department stores, which manage their own restaurant sections, were operating at a loss in order to meet the competition of lunch rooms in which club sandwiches could be served profitably for fifty cents. The store in question could not afford to cheapen the grade of service in the restaurant; neither could the lessee be expected to lose. So the management decided that it would pay the store to operate its own restaurant at a definite loss rather than to run the risk of incalculable loss in good will.

(To be continued)

DECEMBER 1, 1932

VOLUME 52 No. 23

THE TOBACCO WORLD

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Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

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DUYS CALLS FOR UNITED SUPPORT OF PRICE MAINTENANCE BILL

IN a bulletin mailed last week, John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, urges all members of the industry who are interested in the betterment of conditions in the industry, to get in touch with their Senator and urge the immediate passing of the Capper-Kelly Bill at the next session of Congress, which convenes in Washington on December 5. The bulletin reads as follows:

"The cigar trade is just now giving serious attention to the task of finding ways and means to stimulate consumption and production of cigars. The entire industry is suffering from predatory price cutting for which there appears to be no remedy in the present state of the law. A remedy exists, however, and every member of the trade has it in his power to do something TODAY to put a stop to the slashing of prices and to provide a legal method by which every cigar manufacturer can fix the prices at which his products can be sold to the consumer.

"Plans have been made for the consideration of the Capper-Kelly Price Protection Bill in the U. S. Senate soon after Congress convenes on December 5 in the hope that the measure will be passed before the holiday recess which is usually taken about December 20 for a fortnight. Senator Capper, one of the co-authors of the bill, will make the motion to take it up and will have strong support from both Republicans and Democrats in the Senate. The bill has already been reported from the Committee on Interstate Commerce, after exhaustive hearings, and if the business men of the country will unite in urging their Senators to support Senator Capper, it is believed the prompt passage of this most desirable legislation will be assured.

"It is important therefore that all our members should contact their Senators preferably in personal interviews before they leave their homes for Washington, but in any event by telephone or telegraph, asking them to vote for Senator Capper's motion to take up the Price Protection Bill and to cast their ballots for the measure.

"Representative Kelly of Pennsylvania, who has introduced the Capper-Kelly bill in the House, is very confident that if the Senate will pass this measure the House will be prompt to take it up, pass it and send it to the White House for the President's signature before Congress adjourns on March 4 next.

"The enactment of this bill will put an end to price cutting, one of the greatest abuses from which our trade is suffering and one of the most serious obstacles to the return of prosperity in all lines.

"PLEASE DO NOT DELAY.

"ACT TODAY!

"JOHN H. DUYS, President."

FRANK FALLON DIES

THE many friends of Frank Fallon, United States and Canada representative for the "Partagas" cigar, were shocked to learn of his untimely death on Saturday, November 19th, at his home in New York City.

Mr. Fallon had been seriously ill for several months and had been confined to his bed for some time.

He had represented the "Partagas" factory for about six years, and prior to that time had been associated with Faber, Coe & Gregg. A few months ago he became associated with E. A. Kline Company, manufacturers of the "Medalist" brand, and continued also as "Partagas" representative.

Funeral services were held on Tuesday, November 22d, at the Universal Funeral Chapel, 597 Lexington Avenue, with later services at St. Malachy's Church, Forty-ninth Street and Eighth Avenue.

Honorary pallbearers were A. H. Gregg, Henry Miller, Joseph Martin, Richard Porter, Robert Volbreck and J. Kinney. Interment was in Sleepy Hollow Cemetery at Tarrytown, N. Y.

Mr. Fallon was a member of Fidelity Post No. 712 of the American Legion; the Dover Hall Club, of Brunswick, Ga.; a past exalted ruler of Elks Lodge No. 1, New York City; the New York Tobacco Table and The Tobacco Salesmen's Association.

"BRIGGS" MIXTURE IN ATTRACTIVE NEW PACKING

"Briggs" Pipe Mixture, the high-grade smoking mixture recently placed on the market by the P. Lorillard Company, and which has met with enthusiastic reception by pipe smokers wherever it has been placed, is now appearing in an attractive new one-pound package.

The new package consists of a real wooden keg containing one pound of the mixture, and jobbers and retailers are enthusiastic over the attractiveness of the packing and the opportunity it offers for business. Many attractive displays of these kegs are already appearing on the counters and in the windows of the leading retailers.

The one-pound kegs retail at $1.50 each and many of the retailers who already have them on display are reporting good sales.

Previous to the introduction of this packing, "Briggs" was sold only in the 15-cent size tins. It has not been distributed in a general way, but has been placed with a limited number of retailers in the larger cities who are interested in promoting business on a high-grade mixture. In the few months' time that "Briggs" has been on the market, it has become the outstanding seller with a large proportion of the retailers handling it.

PHILADELPHIA.

Trade Notes

Harry Catlin, of Bayuk Cigars, Incorporated, was a recent visitor at headquarters and has left for a trip to the several branch houses of the company.

The Better Made Cigar Company, 25 North Seventh Street, has been sued by J. Ganz, New York, to recover $120 on a note.

The cigar stand in the Bellevue-Stratford Hotel here has a very beautiful display of "Romeo y Julieta" cigars which is attracting some very favorable comment and increasing the sale of this brand at that stand.

Mr. Brown, of the Ambassador Cigar Stand, Atlantic City, was in town last week calling on John Wagner & Sons, local distributors, and placed some very nice orders.

Bayuk Cigars, Incorporated, report substantial orders for Holiday business, and many holiday shipments have already left the factory for the more distant points.

James Heaney, representing the high-grade cigar department of the American Cigar Company, was a recent visitor in Philadelphia, and placed some attractive orders for "Antonio y Cleopatra," and other A. C. brands, through the local distributors, Yahn & McDonnell.

A. N. Davis, who recently opened a cigar factory and retail stand at 3 North Thirteenth Street, operating as the King David Cigar Company, has taken on another shop at 122 North Twelfth Street, and will also operate it as "Store No. 2." The North Twelfth Street store being much larger than the North Thirteenth Street shop, the factory operations will be transferred to the new location in order that production may be increased to cope with the ever-increasing demand for the "King David" cigar.

"CINCO" THEFT THWARTED

A BURGLAR'S jimmy, left lying outside the building of Otto Eisenlohr & Brothers, Incorporated, cigarmakers, at 1618 North Broad Street, attracted the attention of policemen at 3 A. M. on Saturday, and they examined the doors. On a truck entrance the lock was broken.

The door was locked from the inside, so they forced it open. Within they found a truck, and three men, who threw up their hands when covered by police revolvers.

The truck had been loaded with about $30 worth of cigars, it is said, while $35,000 worth was piled nearby. The men said they were William Smith, twenty-six, of Twelfth Street above Girard Avenue; William Coyle, twenty-three, and Raymond McAllister, twenty-nine, both of Frankford Avenue near Elkhart.

The Edward Bayuk Cigar Company has been sued by K. Straus & Company, Incorporated, to recover $408 on a note.

G. C. Munson, who looks after Bayuk's interests in the Eastern Allentown territory, continues the active promotion of Bayuk lines in that locality and has just sent in some nice orders to the factory.

George Branzell, Bayuk representative, has just finished some sales promotional work with the Hoffman Cigar Company, Bayuk distributors, of Norfolk, Va., on Bayuk brands.

The M. J. Dalton stand, at 617 Chestnut Street, is featuring a window display of "My Own Rum Cured Pipes," by Sasieni, to retail at $5 each, and the display is attracting a great deal of interest and many inquiries in regard to the pipe are being received.

The "Habanello" factory (George Zifferblatt & Company) is running to capacity in order to cope with the demand for the "Habanello" brand, and is oversold on some sizes of the brand.

The "Habanello" is meeting with a very steady demand in certain sections of the country where it has been placed, including Pittsburgh, Baltimore, and Philadelphia.

TWO GIRLS, A PACKAGE AND SIX WORDS MAKE UP NEW CHESTERFIELD WINDOW

LIFE size cut-outs of two young ladies, informally posed on a lounge enjoying their "Chesterfields," set off that cigarette's new window in the A. Schulte Store at Fifth Avenue and Forty-second Street, New York. Through a circular opening in the white wall behind them, a huge "Chesterfield" package seems to hang in mid-air, turning slowly. This illusion is carried out with the aid of a chromium bar, one of five which run vertically through the circle. The "Chesterfield" package is attached to the center bar and revolves with it on a certical axis. Because of its glistening chromium surface, however, one can hardly detect that the bar is moving. Hidden lights play on the circle from behind, thus making a spotlight by a sort of reverse process.

The display is unique too in the brevity of its reading matter. Six words lettered on the white background bear the selling message—actually five, if one omits the name of the product. But these five words—"they're milder, they taste better"—are made more expressive than ever by the striking display of which they are a part.

DANIEL F. RITTER DIES

The many friends of Henry G. Ritter, cigar box manufacturer of Detroit, Mich., were shocked to learn of the death of his son, Daniel F., on Tuesday, November 22d, at his home in Detroit.

Dan, as he was known to his many friends, had been in ill health for some time, and his death was not entirely unexpected, although he had made a valiant effort to regain his health.

Services were held in Detroit on Friday, November 25th, at 10 A. M. He was twenty-seven years old.

FIRST MEETING HELD BY RESEARCH COMMITTEE

The first meeting of the Research Committee named by John H. Duys, president of the Associated Cigar Manufacturers and Leaf Dealers, was held on November 22. This committee is to make a complete survey of the problems of the cigar industry, and is the result of the conference of November 4, held at the Hotel Roosevelt, New York, at the call of Mr. Duys, which was attended by most of the large manufacturers.

The members of the committee are: D. Emil Klein of D. Emil Klein Company; William Best, of General Cigar Company; Harvey Hirst, of Bayuk Cigars, Incorporated; William Waterman, of Wait & Bond, Incorporated; Julius Lichtenstein, of Consolidated Cigar Corporation; Joseph Cullman, Jr., of Webster-Eisenlohr, Incorporated; and S. T. Gilbert, of Deisel-Wemmer-Gilbert Corporation.

DRUG, INCORPORATED, REPORTS

Net earnings of Drug, Incorporated, for the third quarter of 1932, after all charges, totaled $2,846,246, compared with $4,475,394 for the third quarter of 1931. For the first nine months of 1932 net earnings totaled $10,526,943, compared with $15,127,903 for the corresponding period last year.

AMERICAN CIGAR DIVIDEND

American Cigar Company declared the regular quarterly dividend of $2 on common, payable December 15th to stock of record December 3d.

Trade Notes

The "Romeo y Julieta" imported brand, distributed by John Wagner & Sons, is going along in a big way in this market and they report they are far oversold on four sizes of the brand.

Paul Steinberg, who sells John Wagner & Sons cigars in four different languages, and who is also known as one of the most experienced salesmen on the street, is turning in a fine volume of orders for this famous house.

The "Royalist" factory (Grabosky Brothers, Incorporated) on North Second Street, is humming along busily turning out this high-grade brand in vast numbers to fill the orders which are pouring in to factory headquarters. Holiday shipments have been made to some territories and excellent business for the balance of the year is expected.

Stephano Brothers, manufacturers of the nationally famous "Rameses" Turkish cigarettes, have launched a new brand of blended type cigarettes on the Philadelphia market, beginning November 28th, to retail at ten cents for a package of twenty cigarettes.

The new brand is known as "Marvels" and the package of red, white and black is very attractive.

Yahn & McDonnell have received a shipment of the new "Bering" Senoritas, manufactured especially for the ladies, and the fair sex may soon be observed enjoying the pleasure of smoking this quality brand. The Senoritas are packed in 1/20th boxes, five in a cellophane package, retailing at 25 cents a package. They also have received a shipment of the new "C W y Ca" panatela to retail at five cents each.

The spirit of the holiday season is prevalent at Bayuk factory headquarters, and the visitor to the factory is impressed by the attractive window displays in the foyer of the building. The several brands manufactured by Bayuk Cigars, Incorporated, are attractively arranged in the various windows with a background of bright colors suggestive of the festive season.

The M. J. Dalton store, 617 Chestnut Street, is displaying the new Universal Radio, which is receiving much favorable comment. The radio is very compact containing four tubes and speaker all enclosed in an attractive cabinet only about 7 inches high, 11 inches wide and 4 inches deep. It has a remarkably clear tone, selectivity and volume, and retails at $25.

John Wagner & Sons have just received the first shipment of their new private brand smoking tobacco under the label "Monticello," and this high-grade mixture is meeting with a ready demand. The new brand is in a very attractive package in three sizes: two-ounce paper package, eight-ounce tin, and sixteen-ounce tin. The two-ounce package retails at twenty-five cents.

NEVER PARCHED
NEVER TOASTED

Camels are always mild

FOR a smoke that is mild and cool, switch to Camel, the fresh cigarette. A blend of choice Turkish and mellow sun-ripened Domestic tobaccos, perfectly conditioned, Camels are made fresh and then kept fresh by the Camel Humidor Pack. Try them, for just one day, then leave them — if you care to.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

INABILITY of the Treasury Department and the United States Tariff Commission—the two Federal agencies for the administration of tariffs—to provide relief for American manufacturers suffering from the competition of cheap labor countries is expected to culminate next month in a renewed drive upon Congress to increase existing tariff rates.

It is not anticipated, however, that the coming short session will go into the question of tariff, but that it will be left for a special session expected to be called by President Roosevelt shortly after he assumes office March 4th next.

From many lines of industry appeals are coming to the Treasury Department for the issuance of orders applying dumping duties, which would largely reduce the volume of imports, but so far very few such orders have been found justified, since they must be based upon the sale of merchandise in the country of production at higher prices than it is offered here. This has been found not to have occurred in most instances, the low prices now being quoted for imported goods being the result of currency depreciation following abandonment of the gold standard.

Unable to secure relief from the department, manufacturers in some lines are attempting to invoke the pure food and drug law and the statutes dealing with patent and trade-mark infringements to keep out competing merchandise.

In many quarters, however, there is a growing belief that only further increases in the tariff rates will serve to equalize the costs of production at home and abroad, and it is on this basis that appeals to Congress for aid will be made.

Use of the word "Cuba" in the trade name "Hoyo do Cuba" for cigars manufactured by the Havatampa Cigar Company, Tampa, Fla., which do not contain Cuban tobacco in substantial amounts, unless the designation is accompanied by an explanation that the cigars do not contain Cuban tobacco, is required under orders issued November 5th by the Federal Trade Commission.

Where the trade name is used in connection with cigars containing some Cuban tobacco but not composed entirely thereof, it is ordered, such explanation must be made as will acquaint the purchaser with that fact.

Designations such as "Havana," "Habana," "Mild Havana," "Mild Havana Cigar," etc., it is ruled, are not to be used if and when the cigars are not composed wholly of Havana or Cuban tobacco.

The company, it was explained, had refrained from contesting this proceeding and consented that the commission serve upon it without evidence and without findings as to facts, an order to cease and desist from the methods of competition alleged.

Efforts to secure a return of the two-cent rate of letter postage during the coming Congressional session are likely to be opposed because of the fact that the new postal rates will raise possibly as much as $100,000,000 a year more than would the old rates, at a time when the Government needs all the revenue it can secure.

Despite the additional revenues so derived, however, the postal deficit for the current fiscal year, it is now estimated, will reach approximately $63,000,000.

Statistics compiled by the Post Office Department show that the new rates have served practically to offset the loss in volume which was marked during the first half of the year. These figures show that receipts at fifty industrial cities during the first quarter of 1932 were 12.42 per cent. less than for the same period last year while those for the second quarter were 17.37 per cent. less, but those for the third quarter were 0.28 per cent. greater.

Recording a decline of more than $100,000,000 in postal revenues since 1930, the Post Office Department on June 30 closed the fiscal year with a deficit estimated at $204,000,000.

Postal receipts during the year aggregated $593,000,000 as compared with $705,500,000 in 1930, and were the lowest recorded for any year since 1924, according to department records. Expenditures totaled $797,000,000, a reduction of only about $5,000,000 from the peak of $802,500,000 reached in 1929.

Excluding expenditures for nonpostal items, chiefly air and ocean mail subventions, and Government franked mail, the deficit for the year just closed will approximate $150,000,000. For the current fiscal year, if operation costs are not increased, the heavier mail charges which have been authorized by Congress are expected to cut the deficit to $50,000,000, and with any noticeable improvement in the business situation the department may be able to avoid a deficit entirely.

LIGGETT RECEIVERSHIP FOUGHT

WHILE in Boston, on November 14th, a bill in equity was filed in Federal District Court by the "1524-1542 Market Street Realty Company, of Philadelphia, Pa.," for the appointment of a receiver to carry on the business of the Louis K. Liggett Drug Company, Judge George A. Welsh, in the United States District Court here began hearings on November 16th in a suit to stop the Louis K. Liggett Company from going into voluntary bankruptcy, and on a series of other legal motions affecting the company's affairs.

The bill filed in Boston comprised about seventy pages, one of the largest of its character ever filed in the Federal Court there.

It contended that "by reason of its absolute control and ownership of Liggett and with the primary purpose of conserving its own extensive interests, Drug Incorporated, and, or, United, have for the last few years managed and operated the Louis K. Liggett Company so as to divert profit which naturally would have been earned by the Louis K. Liggett Company if the company were operating as an independent organization."

The bill charged the defendants have "mismanaged the affairs of the Louis K. Liggett Company with the view of putting it into bankruptcy, and the plaintiff avers and believes that the defendants are actually preparing a petition for voluntary bankruptcy of the Liggett Company or instigate other creditors to institute bankruptcy."

It asserted the Louis K. Liggett Company business was a good and properly managed business, operated solely for its own benefit but that "the other defendants, particularly United and Drug, Incorporated, as the owners and in control of Liggett Company, have conceived this plan to eliminate the creditors and undesirable contracts."

The hearings in Philadelphia were on motions for the issuance of a preliminary injunction against bankruptcy, until there can be a final hearing on the whole merits of the case, and a countermotion by counsel for the Liggett Company for a dismissal of the case on the ground the court has no jurisdiction in the matter.

J. Howard Reber, for the Liggett Company, characterized the charges made against the concern and its allied companies as "outrageous and untruthful," and declared that the effect of these charges had been so detrimental that "I cannot see how a wreck can be averted."

Nevertheless, he maintained, the company should be permitted to determine for itself whether it should go into bankruptcy, asserting that the Federal bankruptcy law gave every debtor the "absolute right" to file bankruptcy proceedings and no court could stop it.

More than a dozen attorneys for the owners whose properties are leased to the Liggett Company in this vicinity joined in the plea for stopping of bankruptcy by the company.

Testimony was offered to show that property owners would sustain heavy damage if the leases were canceled in a bankruptcy proceeding by the Liggett Company.

Offers to prove that the Louis K. Liggett Company is adequately solvent, but contemplating bankruptcy for the purpose of voiding high rental leases on many of its 483 stores throughout the country, were made.

They came from George Schorr and Francis A. Lewis, attorneys for the 1524-42 Market Street Realty Corporation, which owns the building at Sixteenth and Market Streets, which is leased to the Liggett Company, and which is the plaintiff in the suit to stop the drug company from going into bankruptcy.

At the close of the hearing on Wednesday afternoon, Judge Welsh summoned the attorneys for the litigants to his private chambers for a conference, at which it was said the Court suggested that they make efforts to reach an amicable settlement of the trouble without the necessity of a court decision. On the resumption of the hearing, Mr. Schorr and Percival H. Granger, attorney for the Liggett Company, announced to Judge Welsh they had not been able "to reach an agreement" and the trial proceeded.

On November 23d it was revealed in the court that a national committee of landlords of 483 buildings in which stores of the Liggett Company are located, had been formed to work out a plan to prevent the company from going into receivership.

The Judge continued the case until January 3d to give the committee an opportunity to consider a plan to settle the controversy amicably. He expressed the hope that a workable plan will be adopted, and remarked that "bankruptcy is almost unthinkable for such a big corporation as this."

By agreement of counsel, the time for pleading in the action of the 1524-1542 Market Street Realty Company, of this city, against the Louis K. Liggett Drug Company and others, which was filed in the Federal Court in Boston two weeks ago to restrain the defendants from going into bankruptcy, was extended on Monday until January 3, 1933.

HIGHER PRICES EXPECTED IN KENTUCKY

KENTUCKIANS—East and West—see the silver lining behind the clouds in the opening next month of auctions of the Blue Grass State's principal money crop, tobacco.

The farmers, growers of burley leaf in the rich lands of the Blue Grass section and growers of dark leaf in the poorer soil of the Pennyrile, base their hopes of approximately double the prices of last year on sales held so far this year in States farther South.

Burley tobacco last year averaged roughly $7 a hundred pounds. The dark leaf average was approximately $3.

Warehousemen, who watched closely the sales in the Carolinas, Georgia and Virginia earlier in the season, also expressed confidence of higher prices when averages in those States virtually doubled over last year, when prices were extremely low.

Conservative estimates are that burley leaf will average $12 this year and dark leaf $5 a hundred. More optimistic growers predict averages of $15 and $7.50 for the two types.

Warehousemen are traditionally more bearish than the growers themselves, for they do not like to arouse false hopes in their patrons.

Some trade experts say that the higher prices so far recorded for smoking leaf are due, in part, to efforts of larger cigarette manufacturers to oppose companies which introduced brands selling for ten cents a package, as compared to the so-called standard fifteen-cent price.

The ten-centers are produced on such a small margin of profit that high leaf prices might force them to raise their price per package or suffer losses. Hence, these observers say, the increase in price for lower grades of tobacco in the auctions, by which the farmer benefits.

N. A. T. D. CONFERS WITH MANUFACTURERS

A MEETING of the officers and executive committee of the National Association of Tobacco Distributors was held on Saturday, November 12th, at the Hotel New Yorker, New York City, those present being C. A. Just, J. Vipond, Geo. B. Scrambling, J. R. Edwards, J. Kolodny, Geo. Frings, E. C. Dearstine and M. Jacobowitz.

A result of the deliberations was a definite decision to meet with the cigar manufacturers at a conference, and the following invitation was mailed to the cigar manufacturers:

Gentlemen:

The perplexing problems confronting the manufacturer and distributor, particularly in the cigar end of our industry, are, without a doubt very vital to both you and the distributor.

Existing economic conditions plus the general demoralization, in the cigar industry are largely responsible for the decline in the volume of that part of the business, which heretofore was considered the mainstay of the legitimate distributor.

The N. A. T. D. thinks it advisable and necessary and has appointed a committee to confer with the manufacturers for the purpose of devising collectively, ways and means to make it possible to stay further demoralization.

The Committee invites a representative of your good house to attend this conference, which will be held at the Hotel New Yorker, New York City, on November 29th, at 2:30 P. M.

Your early reply will be greatly appreciated.

Yours very truly,

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS.
(Sgd.) C. A. Just, *President.*
G. B. Scrambling, *Treasurer.*
Max Jacobowitz, *Secretary.*

CIGARMAKERS TRAINED AT TRENTON

On November 21 approximately 250 cigarmakers were given employment at Trenton, N. J., by the American Cigar Company. The concern has leased the Haveson-Smith building on Factory Street, where it is planned to open a school for the teaching of the art of cigarmaking. Albert Gold, Trenton manager of the American Tobacco Company and the Henry Clay & Bock Company, will direct the school.

It is the plan of the cigar company to have the Factory Street establishment as an elementary school for the teaching of the cigarmaking art. When the workers have become proficient they will be sent to the American Tobacco Company plant on Division Street.

After serving an apprenticeship there the workers will be eligible for employment at the new manufacturing plant of the Henry Clay & Bock Company, which is now in course of construction. The new plant will be ready for occupancy by January 1.

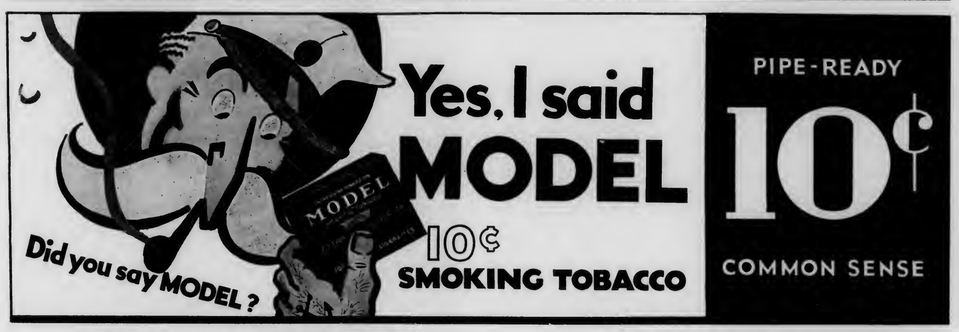
The American Tobacco Company is busy at this time and has a large number of orders for future delivery.

EISENLOHR ACCOUNT TO AYER

Webster Eisenlohr, Incorporated, New York City, manufacturers of "Cinco" cigars, have placed their advertising account with N. W. Ayer & Son, Incorporated.

TEN MONTHS WITHDRAWALS FOR CONSUMPTION

	First 10 Mos. Cal. Year 1932		*— Decrease + Increase Quantity*
Cigars:			
Class A—			
United States ...	2,980,577,620	—	166,498,435
Puerto Rico	59,278,650	—	56,445,305
Philippine Islands	149,860,775	+	13,591,830
Total	3,189,717,045	—	209,351,910
Class B—			
United States ...	44,110,074	—	113,012,999
Puerto Rico	165,500	—	1,453,750
Philippine Islands	577,272	—	505,535
Total	44,852,846	—	114,972,284
Class C—			
United States ...	696,274,046	—	454,416,008
Puerto Rico	2,567,800	—	1,924,760
Philippine Islands	230,822	—	210,084
Total	699,072,668	—	456,550,852
Class D—			
United States ...	45,388,794	—	27,599,536
Puerto Rico	2,700	—	36,400
Philippine Islands	3,126	—	680
Total	45,394,620	—	27,636,616
Class E—			
United States ...	3,231,106	—	5,794,342
Puerto Rico	.....	—	1,500
Philippine Islands	36,901	+	26,620
Total	3,268,007	—	5,769,222
Total All Classes:			
United States ...	3,769,581,640	—	767,321,320
Puerto Rico	62,014,650	—	59,861,715
Philippine Islands	150,708,896	+	12,902,151
Grand Total:	3,982,305,186	—	814,280,884
Little Cigars:			
United States ...	244,604,881	—	60,078,146
Puerto Rico	3,750,000	—	2,750,000
Philippine Islands	.....		.....
Total	248,354,881	—	62,828,146
Cigarettes:			
United States ...	88,652,830,126	—	9,650,916,624
Puerto Rico	3,614,700	—	6,415,300
Philippine Islands	1,111,187	—	499,763
Total	88,657,556,013	—	9,657,831,687
Large Cigarettes:			
United States ...	2,992,060	—	1,652,364
Puerto Rico	453,000	—	932,000
Philippine Islands	1,000	—	700
Total	3,446,060	—	2,585,064
Snuff (lbs.):			
All United States	30,400,524	—	3,786,148
Tobacco, mfd. (lbs.):			
United States ...	266,169,113	—	14,235,009
Philippine Islands	495	—	428
Total	266,169,608	—	14,235,437



BRIGHT SALES OPEN IN VIRGINIA

ON November 17th offerings were light in volume on the bright tobacco markets of Kenbridge, Petersburg, South Boston and South Hill, according to the United States Department of Agriculture.

Average prices paid for graded tobacco were:

Orange leaf B-7-F, $2.20; lemon lugs X-3-L, $15; orange lugs, X-4-F, $7.90.

Average prices paid for graded tobacco on the dark fired markets of Bedford, Blackstone, Farmville Drakes Branch and Lynchburg today for size 44 (sixteen to twenty inches long):

Brown-side heavy leaf, third quality, B-3-F 44, $13.90; fourth quality, B-4-F 44, $10.60.

Dark-side heavy leaf, third quality, B-3-D 44, $11.90.

Green-side heavy leaf, fourth quality, B-4-G 44, $6.90; fifth quality, B-5-G 44, $4.40.

Brown-side thin leaf, third quality, C-3-F 44, $10.70; fourth quality, C-4-F 44, $7.80.

Mixed-side thin leaf, fourth quality, C-4-M 44, $5.60; fifth quality, C-5-M 44, $3.50.

Mixed-side of lugs, third quality, X-3-M, $2.10; fourth quality, X-4-M, $1.60; fifth quality, X-5-M, $1.50.

Green-side of lugs, fourth quality, X-4-G, $2.30; fifth quality, X-5-G, $1.40.

Sale was medium in volume at Bedford and consisted principally of medium to lower quality leaf and lug grades.

Drake's branch held the first sale of the season today. Offerings were light in volume and consisted principally of medium to lower quality grades.

At Farmville, offerings were light in volume and principally lower quality grades.

The Lynchburg sales were fairly heavy in volume and consisted principally of medium to common quality leaf and lug grades.

General comment: A great many lots were high in order and such lots brought much lower prices.

LYNCHBURG DEMAND SLUGGISH

Demand for dark-fired tobacco on the Lynchburg market on November 17th continued sluggish, an average of $7.36 being attained for a total of 31,056 pounds sold on the open floor.

A larger percentage of inferior tobacco than was originally anticipated is showing up there and the buyers are not buying the lower grades heavily. A great many piles were taken in by the planters, who expect to offer them later, the warehousemen said. A moderate break was looked for on the last sale day of the week.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
MAJ. GEORGE W. HILL, New York, N. Y. ..... Vice-President
GEORGE H. HUMMELL, New York, N. Y. ..... Vice-President
H. H. SHELTON, Washington, D. C. ..... Vice-President
WILLIAM T. REED, Richmond, Va. ..... Vice-President
HARVEY L. HIRST, Philadelphia, Pa. ..... Vice-President
ASA LEMLEIN, New York, N. Y. ..... Treasurer
CHARLES DUSHKIND, New York, N. Y. ..... Counsel and Managing Director
Headquarters, 341 Madison Ave., New York City

ALLIED TOBACCO LEAGUE OF AMERICA

W. D. SPALDING, Cincinnati, Ohio ..... President
CHAS. B. WITTROCK, Cincinnati, Ohio ..... Vice-President
GEO. S. ENGEL, Covington, Ky. ..... Treasurer
WM. S. GOLDENBURG, Cincinnati, Ohio ..... Secretary

ASSOCIATED CIGAR MFRS. AND LEAF TOBACCO DEALERS

JOHN H. DUYS, New York City ..... President
MILTON RANCK, Lancaster, Pa. ..... First Vice-President
D. EMIL KLEIN, New York City ..... Second Vice-President
LEE SAMUELS, New York City ..... Secretary-Treasurer

NATIONAL BOARD OF TOBACCO SALESMEN'S ASSOCIATIONS

JACK A. MARTIN, Newark, N. J. ..... President
ALBERT FREEMAN, New York, N. Y. ..... First Vice-President
IRVEN M. MOSS, Trenton, N. J. ..... Second Vice-President
ABE BROWN, 180 Grumman Ave., Newark, N. J. ..... Secretary-Treasurer

NEW YORK CIGAR MANUFACTURERS' BOARD OF TRADE

ASA LEMLEIN ..... President
SAMUEL WASSERMAN ..... Vice-President

THE NATIONAL ASSOCIATION OF TOBACCO DISTRIBUTORS

C. A. JUST, St. Louis, Mo. ..... President
E. ASBURY DAVIS, Baltimore, Md. ..... Vice-President
E. W. HARRIS, Indianapolis, Ind. ..... Vice-President
JONATHAN VIPOND, Scranton, Pa. ..... Vice-President
GEO. B. SCRAMBLING, Cleveland, Ohio ..... Treasurer
MAX JACOBOWITZ, 84 Montgomery St., Jersey City, N. J. ..... Secretary

Y. & M. RECEIVE "CAROLINAS"

Yahn & McDonnell, have received their first shipment of "Carolina" perfectos and invincibles, product of the Henry Clay & Bock & Company, since these brands have been manufactured in the Trenton factory, and these brands are meeting with a ready call. The perfecto size now retails at 3 for 50 cents, instead of 3 for $1, as formerly; and the invincible retails at 25 cents each instead of 40 cents, as formerly.

They have also received a shipment of the new "Manuel Garcia" puritano size, from the Trenton factory, retailing at 2 for 25 cents instead of 25 cents each, as formerly.

The "Corona" brand continues to be in demand far beyond the supply which can be obtained from the Trenton factory, and dealers are constantly clamoring for more. The supply available is not expected to anywhere near meet the demand for this brand until some time after the first of the new year.

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

DEPARTMENT LEASING IN RETAIL STORES

Possible Advantages and Disadvantages

(Continued from previous Issue)

"With regard to this linen offer," explained another retailer who was looking rather wistfully at an open letter on his desk, "A manufacturer wants to rent space for ten days and guarantees the store a profit amounting to several times what we ordinarily make in linens. Could this store afford to accept? No. It might turn out all right. The offer comes from a highly reputable source, but the manufacturer, in justice to himself, must find some method of obtaining quick results, and a bazaar sale might wreck the store in ten days."

In contrast is the following: "We had in this store three sections which for two years failed to pay for themselves, namely, the cut glass department, corset section, and the restaurant section. Still, we felt they attracted trade to the rest of the store. We finally rented the first to a man who operates a chain of these departments and who has knowledge superior to that of any buyer we could afford to hire; the second was leased to the manufacturer of the goods we preferred to carry; and the third to an ex-café man whose experience could not be hired. These leases have all proved highly satisfactory, for the lessees have made money for themselves and for us. Assuming the possibility that these renters might be willing to exploit their section to the disadvantage of the store as a whole by using selling methods which would boost their sales but lower the prestige or standards of the store, we keep too close a watch on these departments for this sort of thing to go on for any length of time."

It may be said, then, that the danger to centralized control and the resulting jeopardy to the store's good will is minimized in proportion to the store owner's good judgment in selecting a tenant, his ability to include in the agreement those provisions which will be fair to the tenant and also tend to preserve the store's complete authority, plus diplomatic supervision throughout the term of the lease.

Summing up the advantages which under some conditions it is possible for the store to gain through subleased departments:

1. The store may gain a certain profit on the lines which it is not well fitted to buy or sell owing to distance from the markets, lack of specialized talent, or some other deficiency.

2. The store gains the prestige of having a complete line of merchandise, since the leased department is operated under the name of the store.

3. The leased section may attract trade to other sections, and the store is in a position to take over the operation of rented departments at the expiration of the lease, if it is desirable, and capitalize the trade which the lessee has built up.

It is also apparent from the foregoing paragraphs that the leasing remedy, though it be ever so successfully applied to any one department, as indicated in the above summary, is of advantage to the store organization only under conditions as follows:

1. When the department lessee actually can supply the retailer's specific need more economically than the store could remedy the deficiency through an efficient executive employed to manage the department.

2. When the methods used by the lessee in operating his department are in no way detrimental to the success of other departments.

3. When there is no loss of the store's good will as a result of the leased department's operations.

Benefits to the Lessee

Though the store and department leasing is primarily the subject under discussion, it might be mentioned incidentally that to the lessee the advantages of renting space within an established store are the securing of (1) a location in a developed market where a certain volume of trade is already waiting and (2) the prestige of the lessor's name to develop the market further.

Aside from the necessity of using great care in selecting the stores in which he opens departments, the chief difficulties and disadvantages usually encountered by the lessee are: (1) Competition within the leasing business resulting in the bidding up of rentals; (2) the impermanence of tenure; and (3) unless the renter is a manufacturer advertising his own brand any good will built through his service is solely for the lessor, and at the expiration of the lease no public good will attaches to the renter as a result of the time spent in business.

Department Leasing Statistics

The following table, which was submitted by the National Retail Dry Goods Association, is a summarization of the findings presented at the convention of the Controllers' Congress, May 10-13, 1926, in conjunction with the original study on department leasing made by the Domestic Commerce Division of the United States Department of Commerce.

SUMMARY OF FINDINGS IN DEPARTMENT LEASING

[Eighty-six stores reporting]

		Income of Lessor, Based on Net Sales of Lessee	
Departments Leased	*Number of Stores Reporting*	*Highest Per Cent. Received*	*Average Per Cent. Received From All Stores*
Automobile accessories	1	10.0	...
Bakery	5	20.0	15.4
Beauty parlor	52	25.0	15.6

(*Continued on Page 14*)

OCTOBER SHOWS FURTHER DECLINE

THE following comparative data of tax-paid products indicated by monthly sales of stamps are obtained from the statement of internal revenue collections for the month of October, 1932, and are issued by the Bureau. (Figures for October, 1932, are subject to revision until published in the annual report):

	—October—	
Products	*1931*	*1932*
Cigars (large):		
Class A .....No.	379,633,955	345,714,730
Class B .....No.	7,682,093	3,939,343
Class C .....No.	136,176,858	80,985,068
Class D .....No.	8,912,635	5,595,939
Class E .....No.	1,965,245	597,356
Total	534,370,786	436,832,436
Cigars (small) .....No.	29,317,400	23,897,507
Cigarettes (large) ....No.	337,542	302,650
Cigarettes (small) ....No.	8,956,374,523	8,351,364,803
Snuff, mfd. .....Lbs.	3,642,354	2,447,307
Tobacco, mfd. .....Lbs.	30,496,706	26,399,445

Note: The above statement does not include tax-paid products from Puerto Rico and the Philippine Islands. This information is shown in supplemental statement.

Tax-paid products from Puerto Rico for the month of October.

	—October—	
Products	*1931*	*1932*
Cigars (large):		
Class A .....No.	8,723,000	4,475,800
Class B .....No.	127,500	6,500
Class C .....No.	743,830	195,750
Total	9,594,330	4.678,050
Cigars (small) .....No.	500,000	500,000
Cigarettes (large) ....No.	.....	50,000
Cigarettes (small) ....No.	1,000,000	320,000

Tax-paid products from the Philippine Islands for the month of October.

	—October—	
Products	*1931*	*1932*
Cigars (large):		
Class A .....No.	16,730,985	17,808,805
Class B .....No.	89,287	138,723
Class C .....No.	69,458	18,250
Class D .....No.	66	.....
Class E .....No.	5,000	11,996
Total	16,894,796	17,977,774
Cigarettes (small) ....No.	152,920	126,220
Tobacco, mfd. .....Lbs.	45	4

Note: Quantities of tax-paid products shown in above statements are indicated by stamp sales for the month.

STATEMENT OF REVENUE COLLECTIONS FOR OCTOBER

Sources of Revenue	*1931*	*1932*
Cigars	$1,640,376.68	$1,229,635.58
Cigarettes	26,872,778.23	25,056,682.15
Snuff	655,623.73	440,515.29
Tobacco, chewing and smoking	5,489,654.16	4,753,071.84
Cigarettes papers and tubes	143,416.60	84,537.69
Miscellaneous, relating to tobacco	290.00	401.38

P. LORILLARD CO., INC.
119 West 40th Street
New York City
Respectfully invite your attention to the Christmas packing of their products as follows:
BETWEEN THE ACTS

Established 1886

"BEST OF THE BEST"

OPTIMO CIGARS — VERY MILD

Manufactured by A. SANTAELLA & CO.

Office, 1181 Broadway, New York City

FACTORIES: Tampa and Key West, Florida

TOBACCO NOT CAUSE OF HARDENED ARTERIES

Tobacco is declared not guilty of causing hardening of the arteries. Dr. Robert B. Preble, professor of medicine at Northwestern University, exonerated it in a talk on heart disease before the Milwaukee County Medical Society at the Hotel Pfister.

Coffee, the eating of too much meat, and the taking of too much salt have also been given as causes for hardening arteries. They, too, were stricken off the list by Dr. Preble. The American speed of living has also been accused but Dr. Preble said, "I don't think that any of them are in any way responsible."

"Frankly," he said, "I am not sure what the cause is."

RETAIL STORE PROBLEMS

(*Continued from page 12*)

Birds and fishes	2	15.0	13.5
Books and stationery	5	12.5	12.1
Boys' clothing and furnishings	3	25.1	16.6
Candies	11	20.0	15.3
China and glassware	5	13.0	10.7
Chiropodist	1	10.0	...
Clocks	1	19.8	...
Coats and suits	3	10.7	9.6
Flowers	3	15.0	14.0
Furs	5	13.1	11.5
Furniture	3	14.9	10.0
Gift Shop	1	20.0	...
Hemstitching	5	33.3	27.0
Housefurnishings	3	11.5	10.1
Jewelry	7	22.7	17.5
Leather goods	2	20.5	17.7
Linens (imported)	1	14.9	...
Meats	1	5.0	...
Men's furnishings	1	9.5	...
Men's clothing	1	9.7	...
Millinery	45	28.9	15.2
Music	7	20.0	12.6
Optical	14	25.0	17.4
Patterns	33	28.0	20.8
Petticoats	3	15.0	13.3
Photograph studio and kodak	5	20.0	14.6
Pianos and musical instruments	4	25.0	17.1
Pictures and frames	6	20.0	15.9
Radio and phonographs	11	17.5	12.3
Ranges (gas)	1	21.2	...
Ribbons	1	6.8	...
Rugs	4	15.2	12.5
Sewing machines	20	24.9	16.6
Shoes	19	15.0	10.9
Tea room and soda fountain	9	20.0	14.2
Toilet articles and drugs	2	8.0	7.0
Umbrellas	5	17.5	15.1
Vacuum cleaners	7	25.0	20.5
Wall paper and paint	20	24.0	15.6
Washing machines	5	21.9	15.0

LEASING CONTRACT

When the circumstances of the individual case make it appear that the leasing of some section within the store is a desirable policy and a suitable tenant has been selected, the next important consideration is the contract. The document itself is usually accomplished through a legal adviser, but there are matters of business practice which the retailer must supply, for it is necessary to a satisfactory lease that the agreement cover points pertaining to merchandise and customer-treatment policies which in practice are frequently found to be causes of friction.

There is no available standard form of contract which in its entirety will fit all cases of department leasing, and no attempt is here made to present a model agreement. However, the contract selected for reprint includes provisions relating to all points of common contention referred to in the mass of material submitted both by lessors and by tenants. It is published through the courtesy of a retailer who, after many years of successful leasing, now uses this license agreement as a basis for leasing both minor and major sections. This copy was contributed with the comment that, although the agreement may appear to be a one-sided affair, the store organization realizes that it must deal fairly with its tenants. At the same time, in order to maintain a successful store and make present or future tenancy possible, the store must retain absolute control over the sales methods and policies carried on under its roof. With such modifications as are advised by the local attorney, the provisions in this agreement and the following general statements may therefore prove adaptable for use in the preparation of a contract suited to any individual case.

Terms and Rates

Though a short-term lease of one year or less is generally said to be more desirable for the store than a long-term arrangement, there are a number of successful leases or contracts which run for a period of two or three years with the privilege of renewal at the expiration of that time. Only under special circumstances is it considered in the store's interest to lease for an initial period longer than three years.

The leasing rate varies with the type of store in which the department is located, the kind of merchandise handled in the section, and other considerations peculiar to the case. The store may lease on a flat-rate basis; on the basis of a percentage of net profits; percentage of gross sales; or various combinations of flat rate, yearly guaranty, and percentage of profits or sales. The flat-rate arrangement is not customary, except for some specialized section, and a lease on the basis of a percentage of profits may entail considerable difficulty in obtaining accurate figures of profits. For merchandise sections the terms most commonly found in the contracts loaned to the Domestic Commerce Division were based on a yearly guaranty of a certain sum, plus a specified percentage of gross sales. Both the amount of the guaranty and the percentages vary widely. When the total operating expense of the department is divided between the store and the lessee, the latter, as a rule, pays to the store somewhere around 15 per cent. of the gross sales and takes care of his own advertising, buying and selling expenses.

The majority of stores reporting agreed that the most satisfactory way in leasing is to prorate the rent on the same basis as would be the case if the department were operated by the store. To this statement were added, in a number of cases, opinions to the effect that this principle might also be applied to privileges granted or withheld (such as the use of the window space, advertising, bargain tables, etc.), in order that leased departments be given neither more nor less in the way of favors than can be allowed to other departments in the store.

License Agreement

[Furnished by a store which leases extensively]

This Agreement, made between (name of store), a corporation organized and operating under the laws of the State of ..... (hereinafter referred to as the "licensor"), and ..... (hereinafter referred to as the "licensee").

Witnesseth: 1. The licensor hereby licenses the licensee to have the privilege of conducting from the ..... day of ....., 19...., until the ..... day of ....., 19...., in (description of space) in the building known as the ....., situated at ..... in the city of ....., State of ....., subject to the terms and conditions hereinafter set forth, a department for the merchandising and sale of ....., and the licensee hereby covenants and agrees that, subject to the terms and conditions herein expressed, ... will equip the space from time to time designated by the licensor

(Continued on Page 18)

CIGAR DECLINE COMPARED BY DECADES

JACK GOTTSEGEN, of the Research Department of the U. S. Cigar Manufacturers' Association, has prepared a table showing the decline in cigar consumption by decades, which leads to the natural deduction that unless cigar consumption is stimulated by a nationwide advertising campaign in the very near future, the cigar industry will rapidly fade to an insignificant industry. Mr. Gottsegen presents his survey as follows:

"For the forty years before 1905, cigar production increased steadily from 693 to 7,748 millions. Since that date, however, cigar smoking has undergone vicissitudes until the trend today is one of genuine concern.

"The popular view is," continues the survey, "that cigar smoking being an anodyne and cigar smokers well to do, the industry may be expected to increase in times of unusual business stress.

"The tendency of cigar consumption tends, in fact, to lower itself during a depression, and it may therefore be acknowledged that cigar smokers who once forsake the 'delightful weed' are generally permanently lost among the decreasing army of cigar smokers.

"That cigar smoking has failed to keep up with the growth of population in the United States is shown by the following table:

Increase by Decades Since 1870

Year	No. of Cigars in Millions	Percentage of Increase Cigars	Population
1880 over 1870	1,229	103	30.1
1890 over 1880	1,720	72	25.5
1900 over 1890	1,226	30	20.7
1910 over 1900	1,496	32	21.0
1919 over 1910	262	3.8	14.9
1930 over 1919	—447	—6.3	16.1

"(Note: The year 1919 has been used for 1920 in the table above because it is more representative of the trend of cigar smoking for the decade 1910-20.)

"Thus, while the increase of population has diminished 14 per cent. the increase of cigar consumption has dropped 109 per cent. approximately. The increasing flow of people into cities where a higher standard of living is enjoyed has failed to check the eclipse.

"Beginning in 1902 the cigarette industry picked itself out of a slough and succeeded to an increasing wave of popularity. No one reason may be alleged for a shift in smoking habits.

"An analysis of the causes for the change in American smoking habits requires a sociological study. Factually we know that the younger generations have stronger preferences for cigarettes than cigars.

"Cigarettes may have been preferred for any one of the following reasons: Being a machine-made product the cigarette could appeal to a larger group on account of its lower unit price. Consistent and aggressive advertising may have broken down prejudices against cigarette smoking, long associated as an effeminate smoke.

"The World War undoubtedly gave additional impetus to the destruction of this prejudice against cigarette smoking, since this form of smoking proved more popular with the soldiers and sailors because of its low price, convenience in carrying, packed to withstand climatic rigors, and the frequency of opportunity for only short smokes.

"The economic history of the last twenty years and markedly the last decade has been characterized by a speeding up of an already fast tempo. The social and economic life of the average American family call for shorter visits, a more intensive outdoor life, and fewer hours spent at home.

"A final influence that may have resulted in fewer cigar smokers may have been exerted by the women who, if they are responsible for style changes in the world, may have started men carrying cigarettes. The style set, the transition by men to cigarette smoking was quickly accomplished.

"Business policy seemed to have dictated that the method of securing cigar smokers was through price reductions. The erroneousness of this policy has been sadly pronounced by a continued decrease in production.

"It may have been expedient for an individual concern to issue cheaper cigars or reduce prices on better cigars, but for the industry as a whole it spelled a backslide from which it may never recover.

"True, there was some effort to stimulate cigar smoking by reference to it in advertisements by individual concerns as 'the man's smoke,' but these efforts were scattered and therefore feeble for the help of the entire market.

"However, sordid though the picture may appear, and distended though the forces among manufacturers and leaf dealers may be there is a way to elevate the industry out of discouraging slough and that is to advertise heavily and nationally by co-operative methods so powerful, so determined and so vigorous that cigar smoking and cigar manufacturing will resist the tide of despair and come back into its own.

"Left to a course which seems to be its fate, consumption may be expected to continue what has become an almost perpendicular decline."

MOISTENER TIME HERE AGAIN

THE time for moisteners is here again! Artificial heat is already on in most of our stores.

That means your cigars and tobaccos are beginning to dry out. Watch them closely and check the getting-out-of-condition process in the beginning.

Cellophane an dother sealed wrappings will hold off dryness for a time—but very shortly now moisteners must be put into use.

So, get out your moisteners if you have not already done so. If you cleaned, dried and wrapped them when you took them out, they will be ready for use as soon as you have saturated them. But in any case be sure they are clean, free from mold and free from odors, before you put them in the cases.

Thorough examination of your cigars and tobaccos is the only way you can tell when to start using moisteners and to what extent. Be careful not to get too much moisture in the beginning or your cigars will become soggy, moldy and bitter to the taste. And in damp or rainy weather be sure not to overdo it.

Your cigar and tobacco business will be as good as the condition of your stock and no better—and, the condition of your stock depends wholly upon the judgment you use in regulating the moisture.

The job is particularly yours. The customer you lose, by selling him dried-out cigars and tobacco, puts you down as a merchant who does not know how to take care of the merchandise you sell and does not come back to be imposed on again. You lose him forever.

Do not lose him. Look well to your moisteners now and keep right on looking to them until next May. And keep on examining your cigars at the same time.—*United Shield.*

SMITH REYNOLDS COUSIN SHOT

Winston-Salem, N. C., Nov. 26.

ROBERT C. CRITZ, thirty-five, a first cousin of Smith Reynolds, tobacco heir, who was found mysteriously shot through the head at his home here last night, had threatened to take his own life, police learned today.

Friends of the family told police the wealthy tobacco buyer and amateur flier had been moody and despondent recently and had frequently told his wife he planned to kill himself.

Critz was one of the first members of the Reynolds family to reach Reynolda, the estate of twenty-year-old Smith Reynolds, last July 6, when the boy-husband of Libby Holman, blues singer, was found shot to death under mysterious circumstances following a party. Miss Holman was recently freed of murder charges in connection with her husband's death.

Whether Critz, whose shooting in the bathroom of his home last night closely paralleled the manner of Smith Reynolds' death, was affected by his cousin's tragic death, was one of the things police sought to uncover in their investigation. Friends, however, hinted domestic difficulties.

Little hope was held for Critz's recovery by physicians. A bullet entering the right temple plowed through his brain.

Relatives and authorities were reticent in discussing the shooting today. The former said they did not know whether Critz was "accidentally or intentionally shot."

Police were told the tobacco buyer was alone in the bathroom when his wife heard a shot. Mrs. Critz and her servants ran to the bathroom as the tobacco buyer staggered from the room. He remained conscious until taken to the hospital but refused to make a statement.

An ancient pistol, over fifty years old that belonged to Critz's father, was found on the bathroom floor. One bullet had been discharged.

Critz's mother was a sister of the late R. J. Reynolds, wealthy tobacco magnate, who died several years ago leaving an estate estimated at $100,000,000 to his four children.

Critz was a witness at the coroner's inquest into Smith Reynolds' death.

PEOPLE'S DRUG REPORTS

People's Drug Stores reports for nine months ended September 30th net profit of $237,929 after charges, depreciation, Federal taxes, etc., equal, after deducting $108,558 dividends on the 6½ per cent. preferred stock, to $1.05 a share on 122,737 no-par shares of common stock. This compares with $338,447 or $1.80 a common share in the first nine months of 1931. For the quarter to like date net profit of $65,953 after charges and taxes, equal to twenty-five cents a share on the common, comparing with $70,483 or twenty-eight cents a share in the preceding quarter, and $91,406 or forty-three cents a share in the September quarter of 1931.

The first shipment of the "El Blason" imported brand arrived in Philadelphia last week, and contains some very beautiful sizes. John Wagner & Sons are the local distributors of this brand and the shipment includes a Cremo size to retail at twenty-five cents each, and a Scout size to retail at fifteen cents. These sizes are comparable to the Corona size and the Belvidere size in other brands, and are retailing at very attractive prices for imported merchandise.

SWEDISH MATCH CAPITAL SLASHED

CAPITAL stock of Swedish Match Company, chief creation of the late Ivar Kreuger, has been written down to one-fourth of its former total, the American-Swedish News Exchange was advised from Stockholm last week. The new management also has announced that with the expiration of the present moratorium at the end of this month the company can take care of its obligations without official aid. The reorganization provides for capital stock of 90,000,000 kroner instead of 360,000,000 kroner as formerly.

Another sign that the dream of empire is over is the fact that the main office of the match concern will be moved on January 1, 1933, from the famous modernistic palace in Stockholm to the City of Jonkoping, in the Province of Smaland, where safety matches were first invented and where the principal factories still are located.

The cost of moving will be defrayed partly by the City of Jonkoping, whose taxable assets will be increased by some 13,260,000 kroner. The change also will enhance the local civic pride of the old match capital, where the first building ever used for match-making still is standing. The men who made Swedish matches widely known before Kreuger was born came from Jonkoping, and there they are buried.

The Stockholm building, which is heavily mortgaged, is one of the most unusual office structures in the world. It was designed by Professor Ivar Tengbom. To the decorations many Swedish artists and craftsmen have contributed.

The end of the match company moratorium is hailed by the City of Stockholm because the local tax of some 2,700,000 kroner will become immediately payable. Most of the employees will be given a chance to move to Jonkoping, where the cost of living is lower.

Another Swedish match concern at Jonkoping, the Jordbro, which was independent of the Kreuger combine, but which failed when its principal market, Australia, was closed to it by increased duties, has now reopened as a manufactory of match-making machinery for export.

The long process of unwinding the affairs of the late match king, Ivar Kreuger, continues in the Stockholm courts. Several of his confidential agents and assistants have been sentenced to jail terms and civil suits against his fellow directors have been started. His brother, Torsten Kreuger, is held awaiting trial on charges of fraud.

MacANDREWS & FORBES REPORT

MacAndrews & Forbes Company report for the quarter ended September 30, 1932, net profit $110,828 after expenses, Federal tax and company's proportion of results of operation of subsidiaries, equal after dividend requirements on 6 per cent. preferred to twenty-five cents a share on 319,643 shares common, against $127,315, or thirty cents a share on 320,143 common shares in preceding quarter and $200,234, or fifty-one cents a share, on 332,600 shares in September quarter, 1931.

PORTO RICAN AMERICAN EARNINGS

Porto Rican American Tobacco Company for the quarter ended September 30th reports net loss of $80,650 after all charges and including proportionate share in result of Congress Cigar Company and Waitt & Bond, Incorporated. For the nine months ended September 30th there was a net loss of $147,598.

WAGES IN THE CUBAN TOBACCO INDUSTRY

PLANTING and cultivating tobacco in Cuba is on the share system, tenants receiving from one-third to one-half of the tobacco raised, states American Consul Lee H. Blohm, in a report released by the Tobacco Division of the Department of Commerce. Wages are consequently determined by the market price of tobacco. Work on processes for preparing the leaves for market is covered by fixed tariff rates, but prorated somewhat differently in the various districts. In preparing tobacco for delivery to exporters or local tobacco manufacturers, the following classes of workmen are employed at the fixed *daily rates* given below for 1932, compared to those for 1931:

	1931	*1932*
Casers	$1.00 to $1.50	$0.80 to $1.25
Stemmers	0.80 to 1.00	0.60 to 0.80
Spreaders	1.00 to 1.50	0.80 to 1.20
Headers	1.00 to 1.40	1.00 to 1.20
Ravellers	1.00	0.70
Foreman of spreaders	1.20 to 1.50	1.00 to 1.25
Other foreman	1.20 to 1.70	1.00 to 1.50
Balers	2.25 to 2.75	2.00 to 2.50

Sometimes the selection of tobacco is paid for on the share basis, the following *daily rates* prevailing in the main tobacco district:

Shares Basis Zones (*Zones de Partidos*)

Ravellers (1)	$0.35
Spreaders	.70
Graders	1.50
Bunchers	0.80 to 1.20
Carrot makers	1.20 to 1.60
Balers (2)	3.60 to 4.50

(1) This task is done mostly by boys.

(2) The baler pays for a helper out of his own wages.

Labor in the Cuban tobacco manufacturing industry is stated to be better remunerated at present than in any other industry, although wage scales in the tobacco industry are down to 17 to 20 per cent. below scales in force prior to tobacco workers' strike which began January 14, 1932, and ended in July, 1932. *Cigarmakers* are paid on a unit basis depending on the quality of the cigars made. They can still earn from $1.50 a day for cheap cigars, to $4 a day for the more expensive brand. Cigarmakers were able to make approximately 25 per cent. more per day in the early part of 1931. While the best cigarmakers receive as high as $60 per thousand cigars, the average amount earned is reported to be around $23. Cigarmakers work nine and one-half hours a day.

Tobacco strippers average from $1.10 to $1.50 a day, many female workers being employed in this work. Wrapper selectors are also paid by piecework and earn, in consequence, varying amounts. Expert selectors pick out from 4500 to 5000 wrappers a day and earn as much as $5.50 a day. Wages for selectors are reported to have been reduced 17 per cent. since the tobacco strike mentioned above. Selectors and packers are also paid by the piece, the rate fluctuating with the grade of cigars, $5.20 now being the maximum earned. Trimmers and dressers average $4 a day, compared to $5.50 in 1931. Banders are paid at the rate of $.50 per thousand cigars banded, and $1.30 per thousand when cigars are banded and wrapped in cellophane. They can still earn as much as $1.75 a day compared to $2.35 in 1931. Cigar factories work nine to ten hours a day, although most laborers do not work more than seven or eight hours a day. Only men are employed in making cigars, women are sometimes used in the cigarette factories. The *daily wage scale* used in the manufacture of cigars is shown as follows:

	1931	*1932*
Cigarmakers	$1.65 to $4.50	$1.50 to $4.00
Tobacco strippers	$1.70	1.10 to 1.50
Wrapper selectors	7.00	$5.50
Selectors and packers	4.20 to 6.00	5.20
Trimmers and dressers	$5.50	4.00
Banders	2.50	1.75 to 2.25

Cigarettes are made chiefly by machinery, of course, and operators of these machines, including cigarmaking machines, accounting machines, packing and stamping machines, are now reported to be receiving 15 per cent. less for their work than in 1931. Operators' wages vary also according to the actual amount of cigars produced on each machine operated. Operators, for instance, employed on the more modern type of machine of greater capacity, receive as much as 50 per cent. more than other operators. Some of these cigarette making machines turn out 200,000 cigarettes a day, and the machinist and his assistant receive, respectively, $6.50 and $3.50 as daily wages at

(Continued on Page 18)

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

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OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

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CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau,

341 Madison Ave.
NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

TABLOID:—46,115. For all tobacco products. November 9, 1932. Bayuk Cigars Incorporated, Philadelphia, Pa.

TRANSFER

BILL BOARD:—28,029 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered August 7, 1913, by Kaufman, Pasbach & Voice, New York, N. Y. Transferred to Central Cigar Box Co., and re-transferred to Bayuk Cigars Incorporated, Philadelphia, Pa., November 2, 1932.

WAGES IN THE CUBAN INDUSTRY

(Continued from Page 17)

this time. Three persons are required to operate a packing machine which can pack 25,000 cigarettes a day. These three workmen, consisting of a machinist and two assistants, of whom the latter are women as a rule, receive $10 a day to be divided among the three workers, the two women receiving three-fifths of the total. Two persons are required to operate a stamping machine, usually women, who are now being paid $5.70 together, for a day's work. Thirty thousand packs of cigarettes can be stamped by this machine each day. When the stamping is done by hand, thirty-two cents is paid for each thousand packs stamped. A girl can thus earn $1.10 per day compared to $2.25 per day in 1931. Hand packers are now earning $3.50 per thousand packs, women and girls being employed almost entirely for this work. Each woman can earn $2 daily compared to $2.30 in 1931.

RETAIL STORE PROBLEMS

(Continued from page 14)

for the licensee with proper fixtures, counters, show cases, and equipment satisfactory to the licensor, and will install a stock of merchandise satisfactory in quality and amount to the licensor, and will from time to time replenish and maintain the said stock of goods, so that the licensee shall maintain and operate a first-class department for the sale of the goods hereinbefore described during the entire term of this license, equal to similar departments maintained by department stores in the city of ....., and will cause the same to be operated by an adequate force of efficient clerks who will properly conduct the merchandising and sale of the said goods, and that the said goods shall be offered for sale to the public at reasonable prices, which prices shall be marked in plain figures on the articles offered for sale, so that the said business will be able to compete with the corresponding departments of department stores in the city of ....., and the licensee agrees that ..... will at all times meet all reasonable competition.

(To be continued)

CONDITIONS IN NETHERLAND INDIAN TOBACCO CULTIVATION SECOND QUARTER—1932

EXCERPTS from a report of the Netherland Indian Department of Agriculture, Industry and Commerce, concerning the tobacco situation in the Netherland East Indies have been forwarded to the Tobacco Division of the Department of Commerce by Assistant Trade Commissioner Carl H. Boehringer. The report covers the second quarter of 1932 and contains the following facts:

"Something was said in our last report regarding the difficulties existing in the tobacco cultivation. The Deli estates effected far going economies so as to reduce their cost of production. Several unprofitable estates were closed down while a sizable number of assistant managers were discharged. For the European as well as for the Asiatic personnel a salary reduction was made. Finally, a reorganization of the various institutes working for the tobacco cultivation was carried out.

"On the estates in the Vorstenlanden or Principalities of Djojakarta and Surakarta, in Mid-Java, a salary reduction of 15 per cent. was made, this cut affecting the wages of European personnel as well as daily laborers. The Djember estates in East Java are reducing their crop by from 40 per cent. to 50 per cent. which is a far more drastic reduction than was at first expected. The wages level in the tobacco cultivation in East Java has gone down in recent months but it is still much higher than in the other mountain cultivations (tea, etc.). In Probolinggo a good coolie may still easily make 40 florin cents ($0.16 a day).

"In the native tobacco cultivation complaints were general regarding the difficulty to sell the first crops. While in the beginning of the year rather fair prices were still being realized, the very bad results of to first spring bids in the Netherlands during March and April became known. As a result there was a sharp price decline on the local market and various Loemadjang firms stopped buying temporarily. The situation did improve again somewhat but the price level is nevertheless only about 25 per cent. of that of the good years. The agricultural officer at Probolinggo, in whose district the so-called preliminary tobacco crop was good in quality, has learned that the following prices were average during the last three years: 1930—Fl. 17.34 ($6.93) per picul of 136 pounds; 1931—Fl. 16.94 ($6.77) per picul; and 1932—Fl. 3.24 ($1.29) per picul. The crop of the Loemadjang regency is estimated at 30,000 piculs with a total financial return of Fl. 100,000 ($40,000); in normal years, the returns from such a crop would have been at least Fl. 500,000 ($200,000). It is no surprise to learn that interest for tobacco among the natives has waned considerably, owing to the low prices.

"The growth of the Deli tobacco plantations on the lower estates, which had suffered considerably during the first quarter as a result of the heavy rains, were affected unfavorably during May by a shortage of rain. Abundant rains during June have only partly corrected the situation. The cultivation this year has suffered little from plagues and diseases. There was less 'spikkel' this year than during the last two years. However, there was more slime sickness than usual on a few of the lower estates. Several estates suffered from cockroaches, especially in the nursing beds and in the young plantations, this being an evil which has never been recorded before."

VOLUME 52 No. 24

THE TOBACCO WORLD

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New York City

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A NEW RETAIL OUTLET
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TOBACCO PRODUCTS
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"BEST OF THE BEST"
OPTIMO CIGARS
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PUBLISHED ON THE 1ST AND 15TH OF EACH MONTH AT 236 CHESTNUT ST., PHILA., PA.

After all nothing satisfies like a good cigar

WOODEN BOXES

Are the Only Natural Humidor for Cigars.

Pack your cigars in wooden boxes and preserve their delicate aroma, mellowness and flavor right up to the time they are passed over the counter to the customer.

Discriminating cigar smokers prefer to select their favorite brand from a wooden box—and it's good business to cater to the dealer and consumer by packing your cigars in wooden boxes.

WHEN BUYING CIGARS
Remember that Regardless of Price
THE BEST CIGARS
ARE PACKED IN
WOODEN BOXES

Volume 52

THE TOBACCO WORLD

Number 24

Established 1881
TOBACCO WORLD CORPORATION
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HENRY DEISEL, SR., AND WILLIAM WEMMER DEAD

THE trade was shocked to learn of the death of Henry Deisel, Sr., and William J. Wemmer, whose deaths occurred suddenly and only twenty-four hours apart. Both men were well known as members of the Deisel-Wemmer-Gilbert Corporation.

Mr. Deisel passed away on Tuesday, November 29th, following a heart attack as a result of being nearly thrown from his horse which he was riding when it became frightened by a tractor.

Mr. Wemmer passed away the following day at noon shortly after learning of the death of Mr. Deisel, and this news is believed to have hastened his death.

Mr. Deisel and Mr. Wemmer were the founders of the old Deisel-Wemmer Company, Lima cigar manufacturers, which later became the Deisel-Wemmer-Gilbert Corporation.

At the time of his death Mr. Deisel was chairman of the executive committee of the Deisel-Wemmer-Gilbert Corporation; chairman of the executive board of the Lima First American Trust Company, and a member of the trust board of the same institution. He was also a former president of the Lima First American Bank, and of the Lima Chamber of Commerce.

He had always taken an active part in the civic affairs of Lima and was a talented musician. He was a member of the Masonic Lodge, Odd Fellows, Elks, Rotary Club, Moose and United Commercial Travelers. He was seventy years old.

Mr. Wemmer also took a keen interest in civic affairs and at the time of his death was a director of the Deisel-Wemmer-Gilbert Corporation.

AMERICAN SUMATRA REPORT

The American Sumatra Tobacco Corporation, and wholly owned subsidiaries, report as of October 31st, fixing effect as of that date to the retirement of 23,195 shares of capital stock pursuant to authorization of stockholders, total assets of $7,200,173, comparing with $7,975,180 on October 31st last year. Current assets, including $533,500 cash, amounted to $2,179,067, and current liabilities were $16,496. This compares with cash of $298,721, current assets of $2,554,025 and current liabilities of $37,660 on October 31st of the preceding year.

R. J. REYNOLDS DIVIDEND

The R. J. Reynolds Tobacco Company has declared the regular quarterly dividend of 75 cents each on the common and common B stocks, both payable January 2d to stockholders of record December 17th.

DUYS APPOINTS COMMITTEE TO CONFER WITH N. A. T. D.

AS A result of the meeting held on November 29th in New York City comprising a group of cigar manufacturers and a committee of the National Association of Tobacco Distributors, John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, last week announced the appointment of a committee of cigar manufacturers to meet with a committee of the N. A. T. D. and confer with them as to ways and means to improve conditions in the industry.

The committee appointed by Mr. Duys consists of: Mr. Melville Regensburg, of E. Regensburg & Sons, 411 Fifth Avenue, New York City, acting chairman; Mr. D. Emil Klein, of D. Emil Klein Company, Incorporated, 438 East 91st Street, New York City; Mr. James Porter, of Waitt & Bond, Incorporated, 744 Broad Street, Newark, N. J.; Mr. Julius Klorfein, Garcia Grande Cigar Company, 141 Fifth Avenue, New York City; Mr. T. E. Brooks, of T. E. Brooks & Company, Red Lion, Pa.

The committee of the N. A. T. D. consists of C. A. Just, E. Asbury Davis, George B. Scrambling, S. Wasserman and Max Jacobowitz.

CULLMAN RECEIVER FOR ROXY THEATRE

Howard S. Cullman, one of the busiest men in the industry, was appointed receiver of the Roxy Theatre in New York on Monday by Federal Judge Francis G. Caffey. Mr. Cullman succeeds Harry G. Kosch, who resigned on Friday because he stated the work interfered with his private practice.

Besides being president of a cigar company, Mr. Cullman was treasurer of the State Democratic Committee during the recent political campaign; he is a Commissioner of the Port of New York Authority; member of the firm of Cullman Brothers, leaf tobacco dealers, and a director of the Bank of the Manhattan Company and the County Trust Company.

AMERICAN SNUFF PAYS EXTRA

American Snuff Company declared an extra dividend of 25 cents and the regular quarterly dividend of 75 cents on common, both payable January 2d to stock of record December 14th. A similar extra was paid a year ago.

UNITED STATES TOBACCO DIVIDEND

United States Tobacco Company declared the regular quarterly dividend of $1.10 on common, payable January 2d to stock of record December 19th.

UNITED EXCHANGE OFFER REOPENED

UNITED Cigars Stores Corporation, holding company which owns a large stock interest in the United Cigar Stores Company, last week notified holders of its preferred stock that its offer to exchange preferred for 6½ per cent. debentures of the Tobacco Products Corporation of New Jersey has been reopened. Exchange of the securities may be made up to and including January 10th.

In explaining its action in reopening the offer, United Stores states that following the recent bankruptcy of the United Cigar Stores Company, a number of preferred stockholders who had not accepted under the original exchange offer, asked permission to make the exchange. The reopening of the exchange plan until January 10th had been made, the letter stated, to accommodate this group.

"No plan of reorganization has yet been proposed for United Cigar Stores Company," the letter states. "It is accordingly impossible to predict what, if any, interest United Cigar Stores Corporation may have in that company in the future, and particularly what, if any, further investment in that company may be justified or may have to be made by United Stores Corporation to protect its interests or minimize its losses."

Under the terms of the offer to exchange preferred stock for debentures, holders of the preferred stock of United Stores Corporation have the opportunity to exchange their shares for Tobacco Products debentures in the ratio of $50 principal amount of the latter for each share of preferred stock surrendered for exchange. Holders of preferred stock of record November 25th will receive the dividend payable December 15th regardless of whether their shares shall have been surrendered before such dividend date.

The debentures will be issued in denominations of $1000, $500 and $100. As debentures in denominations of less than $100 will not be issued, preferred stock will be accepted only in lots of two shares or any multiple thereof. The amount of United Stores Corporation preferred stock at present outstanding is 139,553 shares.

"BRIGGS" ATTRACTIVELY DISPLAYED

"BRIGGS" pipe mixture, the recently introduced high-grade pipe tobacco manufactured by the P. Lorillard Company, was the subject of an attractive window display in the store of J. B. Back, Incorporated, in the Fifth Avenue window of the Empire State Building in New York City recently.

The attractive new "keg" packing of "Briggs" mixture was featured in the window along with the smaller pocket package.

The Lorillard Company states that it is evident that the new "keg" packing of "Briggs" has made quite a hit with high-grade pipe smokers, and sales of "Briggs" have increased rapidly since the one-pound kegs were distributed. In many cases dealers who bought them with the idea of selling them at Christmas have already reordered.

Many enthusiastic reports are being received every day from retailers who have featured "Briggs" on their counters and in their windows. Their sales of the one-pound kegs up to this time have far exceeded expectations.

A distinctive feature in connection with "Briggs" tobacco is that both in the fifteen-cent tins and in the one-pound kegs the tobacco is wrapped in moisture-proof cellophane which keeps it in excellent condition until it is used.

The success of "Briggs" tobacco is so unusual that it is exciting considerable comment throughout the trade.

LORILLARD DIVIDEND

The P. Lorillard Company has declared the regular quarterly dividend of 30 cents a share on the common stock, payable January 3d to stockholders of record December 15th.

The original offer to exchange the shares for the Tobacco Products debentures was made March 18th, and 173,495 shares of preferred were surrendered under the plan by the expiration date, April 20th.

The Tobacco World

Extends to its Many Friends

Sincere Good Wishes for

A Real Merry Christmas

NEVER PARCHED
NEVER TOASTED

Camels are always mild

FOR a smoke that is mild and cool, switch to Camel, the fresh cigarette. A blend of choice Turkish and mellow sun-ripened Domestic tobaccos, perfectly conditioned, Camels are made fresh and then kept fresh by the Camel Humidor Pack. Try them, for just one day, then leave them — if you care to.

R. J. REYNOLDS TOBACCO COMPANY
Winston-Salem, N. C.

Don't remove the Camel Humidor Pack—it is protection against perfume and powder odors, dust and germs. Buy Camels by the carton for home or office. The Humidor Pack keeps Camels fresh

© 1932, R. J. Reynolds Tobacco Company

PHILADELPHIA.

BAYUK CIGARS WIN INFRINGEMENT SUIT

A DECREE has been entered by Court of Common Pleas No. 3, of Philadelphia, enjoining Ed. Bayuk and William Cummings, Jr., individually and as co-partners, trading as Ed. Bayuk Cigar Company, from using the words "Philadelphia," or "Philadelphia Hand-Made," or "Phillies" in any way in the manufacture or sale of cigars.

The defendants are also enjoined from using the name "Bayuk" as part of their trade name except in connection with the trade-mark "Ed. Bayuk Special" and "Ed. Bayuk Clareto" for cigars, and in the firm name, "Edward Bayuk Company."

The defendants are further enjoined from the use of any words which will tend to lead the public to believe that their cigars and other tobacco products are made by Bayuk Cigars, Incorporated.

Counsel for the defendant consented to the entry of the foregoing decree.

WAGNER OFFERING "EDEN"

JOHN WAGNER & SONS, local distributors, are offering to the trade the new "Eden" clear Havana cigar, formerly manufactured in Cuba but now being manufactured in Tampa.

For over fifty years this celebrated brand has represented the highest standards of the cigar manufacturing art, and is today made of identically the same fine Havana tobacco, in the same Spanish hand-work method, and under the same auspices, in Tampa, where the climate is reported to be exactly like that prevailing in Cuba.

The new "Eden" is offered at substantially reduced prices from those prevailing when the brand was imported from Cuba. Prices for the various sizes range from two for 25 cents to three for $1, a reduction of more than 50 per cent. on some sizes. The "Eden" brand is meeting with an excellent reception from the retailers and smokers of high-grade Havana cigars.

Trade Notes

The United Cigar Stores here are featuring the "Half and Half" pipe deal this week with good success. The deal consists of two half-pound tins of "Half and Half" smoking tobacco and any $1 pipe, all for $1.

The "Monticello" brand, property of the local firm of John Wagner & Sons, is meeting with a steady call in this market, and they report being oversold on some sizes of the brand.

Abe Caro, genial ambassador of A. Santaella & Company, of "Optimo" fame, was in town this week visiting the local "Optimo" distributors, Yahn & McDonnell Cigars. "Optimo" sales are holding up exceptionally well in this market.

The factory of George Zifferblatt & Company, manufacturer of the "Habanello" brand, is experiencing a rush of orders for holiday shipment which is far exceeding all expectations and the factory is running absolutely up to capacity in an effort to fill the orders. A highly gratifying feature of the holiday orders, too, is the fact that there is included a mighty nice volume of orders for top sizes.

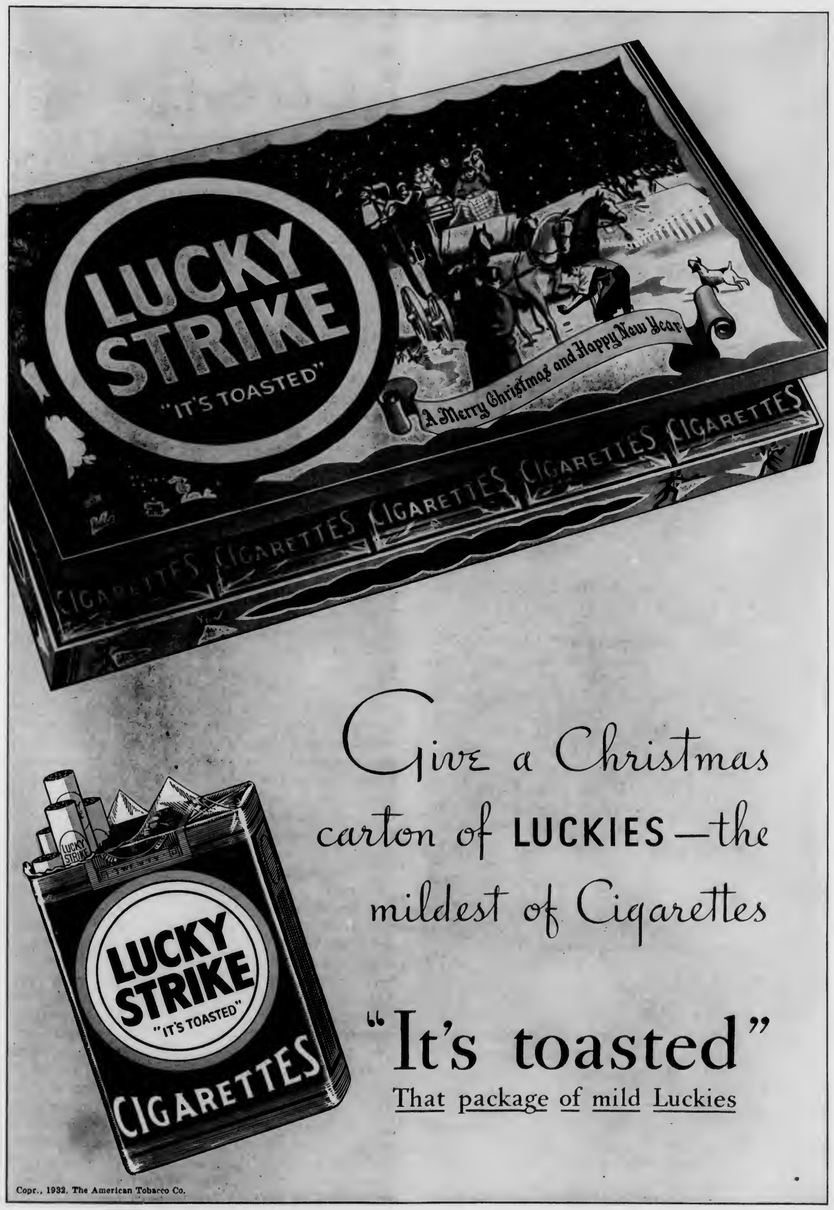
Judge Dickinson, in the United States District Court this week, appointed William McLean, Herman J. Krull and Edward J. Poletti receivers in equity for Charles A. Krull, Incorporated, under bond of $25,000.

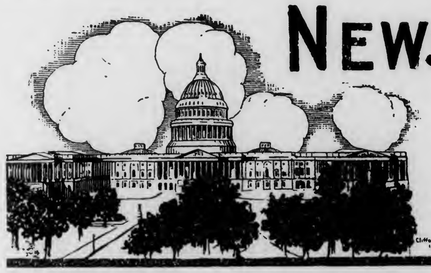
George Stocking, of Arango y Arango, Tampa manufacturers of the well-known "Don Sebastian" clear Havana brand, was a recent visitor at the local distributors, John Wagner & Sons. Mr. Stocking reports business very good on his brand.

A voluntary petition in bankruptcy has been filed by Edward C. Nigg, Jr., trading as Jenkintown Smoke Shop, retailer, Jenkintown, Pa., listing liabilities of $2023 and assets of $809. Referee, Thomas Hallman. Therman P. Britt, Jenkintown, Pa., counsel.

Grabosky Brothers, Incorporated, manufacturers of the "Royalist" cigar, are experiencing a fine volume of holiday orders which is exceeding expectations and keeping the factory working to capacity.

Lew Pollack, secretary of the company, has been confined to his home for the past ten days with an attack of Grippe, but expects to be able to return to his duties before the end of this week.





NEWS FROM CONGRESS AND FEDERAL DEPARTMENTS

FROM OUR WASHINGTON BUREAU 622 ALBEE BUILDING

A SURVEY of the cigar industry in relation to the tariff, in which will be presented a history of the tariff treatment of cigars, an account of the various factors affecting the industry, especially the effect of the introduction of machinery, statistics of production, imports, and receipts from Puerto Rico and the Philippines, and a discussion of the present competitive position of the several types of domestic cigar manufacture, is now in course of preparation, it is disclosed in the annual report of the United States Tariff Commission.

"The trend of cigar production in the United States during the last decade has been downward, declines in production being especially marked in the higher priced cigars," it is pointed out by the commission in its report. "In the fiscal year ended June 30, 1932, total withdrawals for consumption of cigars produced in the United States were 4,873,000,000. During this same period imports also declined.

"Receipts from sources outside the continental United States come from the Philippine Islands, Puerto Rico, Cuba and other countries. In the fiscal year 1932, Philippine manufacturers supplied about 3½ per cent. of our consumption; Puerto Rican manufacturers about 2 per cent.; and total imports from Cuba and other countries less than 1 per cent. For high-priced cigars, however, Cuba has been an important source. Imports from sources other than Cuba have been small; that country supplying about 93 per cent. of the total.

"The competitive situation in high-priced cigars," the commission finds, "was radically changed in 1932 by the removal to the United States of the production of a large number of the most important brands. Imports from Cuba are subject to a duty of $4 per pound plus 20 per cent. ad valorem—20 per cent. less than the general rate. In the calendar year 1931 this rate equalled 76 per cent. ad valorem."

Repeal of those provisions of the Revenue Act of 1932 imposing a tax on bank checks and increasing the rate of first-class postage to three cents an ounce is sought in a number of bills which have been introduced in Congress.

The check tax, according to its enemies, is not only proving a nuisance to business but is failing to return anywhere near the revenue originally estimated, receipts for the first quarter of its operation being less than $11,000,000, or at the rate of little more than half the $78,000,000 a year anticipated.

The increase in postage also is declared to have further depressed business, and attempts to repeal this provision were promised some time ago by members of the House Post Office Committee who investigated the postal situation. Return to the two-cent rate of postage at this time, however, is opposed by officials of the Post Office Department.

Imposition upon tobacco products and all other commodities except, possibly food and clothing, of a general manufacturers' sales tax of 2¼ per cent. is recommended by President Hoover in his annual budget message to Congress.

In addition, it is recommended that the gasoline tax, which is effective only until next June, be continued for another year.

It is estimated that about $355,000,000 would be secured from the sales tax and $137,000,000 from the gasoline tax, which would eliminate the possibility of a deficit for the fiscal year 1934, which begins July 1st next.

Adoption of the general sales tax was urged upon the President by Secretary of the Treasury Ogden L. Mills in his annual report, as a substitute for those excise taxes in the 1932 revenue law "which experience has demonstrated are relatively unproductive and give rise to serious administrative difficulties.

"In view of the misunderstanding as evidence in the congressional debates of last winter," Mr. Mills explained, "I must emphasize that I am not recommending a general sales or turnover tax, with the inevitably pyramiding of the tax, but a manufacturers' excise tax, imposed at one point only."

Most of the excise taxes imposed in the revenue bill adopted last spring have failed to return anywhere near the revenues estimated, it was disclosed by the Secretary. Many of them are returning less than 25 per cent. of the amounts expected and even with a return of better business cannot for some time to come provide the revenues demanded of them.

At the present time, the report showed, the deficit for the current fiscal year is estimated at $1,146,000,000, exclusive of debt retirement, and for the fiscal year 1934 at about $307,000,000. However, it was pointed out, under prevailing circumstances these estimates are qualified by major uncertainties "because there is little to indicate the rate at which recovery will take place, and little previous experience on which to judge the effect of certain features of the individual income tax under the new revenue law."

IF YOUR cigarette is mild—that is, not strong, not bitter, but smokes cool and smooth—then you like it.

If your cigarette tastes right; if it tastes better—that is, not oversweet; and if it has a pleasing aroma—then you enjoy it the more.

Everything known to Science is used to make Chesterfield Cigarettes milder and taste better.

The right kinds of leaf tobacco—American and Turkish—are blended and cross-blended. That's why "They Satisfy."

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Trade Notes

Benjamin Lumley, representing the "Garcia y Vega" factory and the "Dulce" and "Verdi" factory, has just returned from a trip through Pennsylvania where he was working with the Reid Tobacco Company, of Altoona and Milton, Pa., on the "Garcia y Vega" brand with excellent results.

Christmas trims are plentiful in cigar stores and other stores generally throughout the city, and the downtown streets are jammed with shoppers, which points to the usual rush of holiday business, of which the progressive and wide-awake tobacconist will get his share.

Frings Brothers Company, West Philadelphia manufacturers and distributors of tobacco products, were the losers of a truckload of tobacco products valued at several thousands of dollars last week when one of their delivery trucks was held up by bandits and the driver forced to abandon it. The empty truck was recovered a short time later.

The new ten-cent cigarette, "Marvels," recently introduced to the Philadelphia market by Stephano Brothers, manufacturers of the famous "Rameses" brand, has met with such an enthusiastic reception here that it has been decided to expand the distribution into other territories after the first of the new year just as soon as production facilities will permit.

Constantine Stephano, son of Stephen Stephano, of Stephano Brothers, cigarette manufacturers, sailed last week on board the S. S. Europa for a honeymoon trip abroad. Mr. Stephano is a mining engineer, and his bride is the former Miss Martha Taylor, sister of Gregory Taylor, head of the St. Moritz Hotel in New York City. The wedding ceremony was performed at the St. Moritz Hotel on December 4th.

Yahn & McDonnell Cigars, 617 Chestnut Street, are experiencing a belated rush of orders for holiday business, and prospects are bright for a good showing for that period, in spite of early predictions throughout the trade that there wouldn't be any Santa Claus this year.

People always seem to be able to find some spare cash to spend at Christmas time, and the alert cigar retailer will always get his share of the business for nothing can give more pleasure than the gift to a smoker of his favorite brand of cigars, cigarettes or tobacco.

PORTO RICAN-AMERICAN TOBACCO REPORT

The Porto Rican-American Tobacco Company and subsidiaries report for the quarter ended September 30th, including company's proportionate share of Congress Cigar and Waitt & Bond, Incorporated, consolidated net loss of $80,650 after interest, discounts, etc., comparing with net loss of $26,114 in the preceding quarter and net loss of $40,834 in the quarter ended March 31st. For the nine months ended September 30th consolidated net loss amounted to $147,598 after interest, discounts, etc.

THE TRUTH ABOUT TOBACCO TAXATION

A VERY interesting and instructive booklet has just been issued by the Tobacco Merchants Association of America, in which Mr. Charles Dushkind, managing director sets forth very clearly the evils of excessive taxation on tobacco products and some of the results of double taxation by the States.

Mr. Dushkind sets forth twelve outstanding facts as follows:

1. Although tobacco taxation has proved such a productive source of revenue to the Federal Government, it has been a complete failure as a State revenue producer.

2. The estimated or anticipated revenue from tobacco taxation in each and every one of the fourteen States where the tax is still in force has materialized only to the extent of about one-third or less of the expected returns.

3. Dependence upon revenue from tobacco taxes for State budgets has only increased deficits with resulting serious financial embarrassment to the State treasuries.

4. "Buyers' strikes" are unmistakably evident in the tobacco-taxing States and have resulted in a drop of sales of tobacco products to less than 50 per cent. of the normal average consumption.

5. All efforts to enforce the tobacco tax with any degree of uniformity or equality have proved utterly futile; and after ten years of experience in the administration and operation of tobacco taxes, no system has as yet been devised and found workable for the collection of such tax, even with only a semblance of efficiency.

6. Parcel post deliveries of tax-free tobacco products, protected by the interstate commerce clause of the Constitution, coupled with the loss of the trade of border-line commuters and motorists bringing in smoking supplies for themselves as well as for their neighbors and friends, are diverting much of the business of the taxing States' home merchants.

7. The tobacco tax has driven many tobacco dealers out of business and added thousands to the army of the unemployed.

8. Tobacco taxation by States has become commonly known as "nuisance taxes," which are so much abhorred, resented and relentlessly opposed by all merchants, commerce chambers and trade bodies.

9. The State tobacco taxes produce only forty-seven cents a year per capita, while the gasoline tax, in the same States where they also have tobacco imposts, yields $3.88 a year per capita, although both tax levies are administered by the same department.

10. While the gasoline tax has been adopted in every State of the Union, including the District of Columbia, the tobacco tax in the same period of time, beginning with the enactment of the first gasoline tax, has been accepted in only fourteen States, repealed in two, overwhelmingly voted down under public referenda in three States, decisively rejected at one session after another by the legislatures of thirty-two States, and has been vetoed by governors on at least three occasions.

11. State taxation of tobacco products has met with such public indignation, such universal condemnation, that the mere proposal of a tobacco tax measure before any legislature brings forth a storm of protests with an avalanche of condemnatory press editorials in virtually all papers.

(Continued on page 13)

CIGAR MANUFACTURERS MEET N. A. T. D. COMMITTEE

IN ACCORDANCE with the invitation extended cigar manufacturers to meet with a committee of the National Association of Tobacco Distributors, a meeting was held at the Hotel New Yorker, New York City, on Tuesday, November 29th.

The large attendance was very gratifying and great interest in the conference was manifested by the fact that several out-of-town members of the N. A. T. D. who were not members of the committee were present. Mr. John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, was present, as well as representatives of the manufacturers listed below:

Deisel-Wemmer-Gilbert Corporation; G. H. P. Cigar Company; Webster Eisenlohr, Incorporated; Bayuk Cigars, Incorporated; Waitt & Bond, Incorporated; General Cigar Company; Julius Klorfein; E. Popper & Company; D. Emil Klein; Harry Blum, Incorporated; E. Regensburg & Sons; J. C. Winter Company; Federal Cigar Company; E. T. Brooks Company; Bobrow Brothers; Mazer-Cressman; M. & N. Cigar Company; J. H. Swisher & Son.

The conference was opened by an address by Mr. C. A. Just, president of the N. A. T. D., who introduced Mr. E. Asbury Davis. Mr. Davis presented to the conference the problems which the N. A. T. D. considered the most perplexing. He dwelt largely on the present method of merchandising by the chain cigar stores as well as other chain organizations who have large cigar departments. While Mr. Davis did not essentially find fault with the existence of the chain store system, he, however, voiced the opinion that if the chain stores continued their present method of retailing merchandise at a price which left no margin of profit to independent dealers, the distributor as well as the independent dealer would be doomed to oblivion, notwithstanding the fact that the chain stores, by pursuing this method are not successful.

Mr. Davis further stressed the position of the distributor, who in former times was not such in name only but in actuality, but who now has nothing to distribute in the line of popular brands, for dealers can readily supply their wants at chain stores and are largely so doing, at a better price than same can be obtained through the regular distributor. He continued by stating that through the willing co-operation of the manufacturers, the chain stores are handsomely rewarded for featuring their merchandise, which is taken into consideration of the cost. One of the large chains branched into jobbing to so-called agencies, at actual quoted list prices, thereby causing a wider breach between the distributor and the retailer, as this enabled the small independent retailer to obtain his supplies from these agency outlets instead of from the distributor in his given territory.

When Mr. Davis concluded, Mr. Just invited free expression on the part of the manufacturers. Mr. Porter, of Waitt & Bond, Incorporated, as well as Mr. Newman, of Bayuk Cigars, Incorporated, suggested that that matters at issue should be left to the cigar manufacturers, who would give them due consideration at a conference. Mr. Mazer, of Mazer-Cressman, pointed out the diversified problems in dealing with the situation due to the fact that some of the cigar manufacturers derive the major portion of their business from chain stores and some, on the other hand, do not sell chains at all and also suggested that this problem is one for the manufacturers.

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BURLEY PRICES HIGHER

PRICES on the Lexington, Ky., tobacco market rose approximately $1 grade for grade last week over the opening prices at the beginning of the week, but large quantities of lower grade leaf offered held the average down.

Other burley markets in the State opened with prices virtually the same as paid in Lexington's opening, but from $1 to $4 increases in market averages over last year's opening.

Maysville, the State's second largest burley market, sold 445,390 pounds at an average of $12.35 a hundred. The little city of Paris maintained its record of past years by recording the highest market average in the State, $14.02, on a sale of 249,985 pounds.

City averages in general ranged from $9 to $14 on sales of varying volume. Lexington's high basket brought $27, at Paris the high was $29, and Maysville on Tuesday recorded the highest for the day, $30.

At Clarksville, Tenn., the dark-fired tobacco market opened on December 6th with sales on five floors, bringing an average price of $7.53 per 100 pounds, which was 33 cents higher than the average of last year's opening day and $2.16 higher than the 1931 season average.

Prices were considerably higher than last year on lower grades and about the same on quality leaf.

Offerings totaled 139,025 pounds on the opening day. Dry weather, which makes it difficult to handle tobacco, accounting for the small amount. The sales were 82,780 pounds of leaf, at an average price of $10.28 a hundred; 22,830 pounds of seconds, at $4.80, and 33,415 pounds of lugs, at $2.58.

At Greenville, Tenn., officials announced the sale of approximately 300,000 pounds of tobacco at an average of $15.14 a hundred at the opening of the burley marketing season of the Southern Appalachian region.

The average, which exceeded expectations of both warehousemen and growers, compared with $11.65 a hundred pounds for the opening day last year.

Prices ranged from $5 to $27 a hundred, although a few baskets of trashy tobacco sold as low as $2.

Quality leaf brought from $20 to $25 a hundred. Prices were better than last year on common and medium grades.

Sales were conducted on the floors of four large warehouses, and some 5000 growers from East Tennessee, North Carolina and Virginia attended.

Only 600,000 pounds of tobacco were on the floors of ten warehouses, the lightest break in several years. On December 7th sales started at Morristown, Johnson City, Knoxville and Abingdon, Va.

IMPERIAL REDUCES CIGARETTES IN CANADA

The Imperial Tobacco Company of Canada has announced a reduction in prices of nearly all its brands of cigarettes following reduction of the Dominion excise tax of from $6 to $4 a thousand. Packages of twenty cigarettes which formerly sold for 25 cents now retail for 20 cents. The old package of twelve priced at 15 cents is replaced by the 10-cent package of ten cigarettes. By these reductions it is hoped to restore consumption to the 1931 level, from which it has fallen by 20 per cent. This decline is largely due to consumers "rolling their own"; in other words, buying cut tobacco and making their own cigarettes.—*Trade Commissioner E. G. Sabine.*

RETAIL STORE PROBLEMS

So many persons are unaware of the many aids to business which have been carefully prepared by the United States Government, and so many of those who are aware of these facilities fail to take advantage of them, that we are publishing the following studies as an aid to the retailer.—Editor.

(This Study prepared in the the United States Department of Commerce, Domestic Commerce Division, by a special staff under the supervision of Lawrence A. Hansen.)

DEPARTMENT LEASING IN RETAIL STORES

LICENSE AGREEMENT

(Continued from previous Issue)

2. In return for the privilege of doing business in the space in said store so designated, the licensee agrees that the licensor shall be entitled to receive a sum equivalent to ..... per cent. of the gross sales of goods in said space up to gross sales of the amount of $....., and on gross sales from $..... to $..... a sum equivalent to ..... per cent. of the said gross sales, and on gross sales from $....., a sum equivalent to ..... per cent. of the said gross sales; and on gross sales above the last-named amount, a sum equivalent to ..... per cent. of the said gross sales. The term gross sales as herein used is intended to mean all sales made in space hereby granted or any other space in the said building used by said licensee and to include all orders which may be taken or accepted in said space or building, less orders canceled and goods returned. The percentages fixed herein shall apply on the amount of gross sales made during each year of the term hereof. It is understood and agreed that the general manager of the licensor may make a reduction in the rates for special sales and that in such event the business done during such special sales shall be included in the volume of business guaranteed by the licensee, but excluded in reckoning the amount required in entitling licensee to next lower rate or rates in the sliding scale.

And in addition to the said payments the licensee agrees that the licensor shall receive not less than ..... per cent. of such gross sales, for each year of this agreement, which last-named percentage shall be applied by the licensor to the cost of the licensee's advertising, including direct and indirect linage and the cost of cuts, drawings, etchings, etc., it being understood that the copy for such advertisements shall be furnished by the licensee, who agrees that the amount of such advertising during each year of the term hereof, shall be not less than the percentage fixed. All such advertisements shall be handled by an advertisement department to be maintained by the licensor at the licensor's expense, and all advertisements shall be subject to the approval of the licensor.

3. The licensee guarantees that the minimum amount of gross sales from said department in any one ..... shall not be less than $..... and if the business of the licensee during any such period shall not equal the said minimum amount, then the licensee agrees that ..... will forthwith pay to the licensor the percentage hereinbefore agreed upon on the difference between the said guaranteed minimum amount and the actual gross sales for such period, in addition to such percentage on such actual gross sales, and in such event the licensor may, at its option, cancel this agreement on 30 days' written notice delivered to the licensee or deposited in the mails addressed to the licensee, and the licensee agrees to remove all goods, merchandise, and property from such space within 30 days after the receipt of such notice, and thereupon all rights under this license shall cease.

It is further understood and agreed that during the term of this license the licensor may change the location of the business carried on by the licensee to some other location in the said building or may diminish the space originally designated for the licensee, and the licensee agrees that the licensor shall have the right to change such location of the licensee and the amount of space devoted to the department of the licensee from time to time and from place to place in said building during the said term, in accordance with the judgment of the licensor as to what arrangement will be most desirable for the general good of all departments.

It is understood and agreed, however, that the actual cost of such moving shall be borne by the licensor and that in the event that the said space shall be diminished a pro rata abatement shall be made in the amount of the guaranteed gross sales, and portions thereof at sliding scale rates, and in the event that a substantial change is made in the location the licensee may, if not satisfied with a new location, cancel this license on 30 days' notice in writing to be given to the licensor by the licensee within 30 days after the licensee shall have been notified of such new location.

4. The licensor, in consideration of payment of the percentage of the gross sales aforesaid, agrees that it will furnish such cashiers, inspectors and wrappers, display window space, window trimmers, receiving room, casualty and liability insurance, and other service as may in the judgment of the licensor from time to time be necessary, and will operate an advertising department as hereinbefore provided, but the licensee shall pay all cost of delivery service, cost of wrapping paper, boxes, and twine, and shall also pay rental for any storage space used by the licensee.

It is understood that from time to time, by mutual agreement, the licensee will display merchandise for special sales on bargain tables, so-called, which may be assigned to the licensee by the licensor, and, in such event, the licensor will supply the extra sales people necessary to operate such bargain table or tables, but the licensee agrees that ..... will pay for all such extra sales people necessary in the judgment of the licensor for proper service at any such bargain tables and will pay for any extra sales help needed in the licensee's department which may be assigned to the licensee by the licensor at any time, when deemed necessary by the general manager of the licensor.

5. The licensor also agrees to maintain the said building in which the business is to be conducted and to maintain and keep in proper order all aisles and adequate means of ingress and egress to the space designated for the licensee, and also agrees to act as the

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THE TRUTH ABOUT TOBACCO TAXATION

(Continued from Page 10)

12. Summarized, the indictment of State tobacco taxes, as voiced, in the countless editorials, runs—unpopular, impracticable, uncollectible, economically unsound, destructive to the State's home industries, overburdensome to the consumers—to many of whom the smoke or chew, perhaps, now constitutes the only relief from their depressed feeling and mental stress—and utterly unjust and indefensible; particularly so because tobacco products are already overloaded with Federal taxes.

The Hon. Charles R. Crisp, acting chairman of the Ways and Means Committee, speaking on the tobacco tax question before the House of Representatives on March 31, 1932, said (Congressional Record, p. 7430):

"I hold no brief for tobacco, but if there is one commodity in the United States more highly taxed than any other, it is tobacco. Do you realize, and does the public realize that on each packet of cigarettes there is a sales tax of six cents, and that the Government taxes tobacco that goes into the manufacture of cigarettes about $3 a pound?" (Undoubtedly the reference to "$3 a pound" means $3 for the three pounds of tobacco going into a thousand cigarettes, or at the rate of $1 per pound.)

About four years ago, when the entire nation was enjoying unparalleled prosperity, and when relatively speaking an additional penny or two was inappreciable even to the wage earner, the Treasury Department, in a statement submitted to the Ways and Means Committee (on October 31, 1927) took occasion to emphasize the heaviness of the tax burden, then and now carried by tobacco consumers, as follows:

"The use of tobacco in its various forms is widespread, and the Federal tax on tobacco no doubt affects a greater number of our citizens than does any other class of tax. The man who smokes a nickel cigar now pays one-fifth of one cent in tax to the Government. This is at a rate double that upon automobiles. The man who smokes an eight-cent cigar pays a tax of three-tenths of one cent to the Government on every cigar that he smokes. Out of every fifteen cents paid for a package of twenty cigarettes, six cents, or 40 per cent. of the total retail cost, is paid to the Government. Chewing and smoking tobacco is now taxed at the rate of eighteen cents per pound."

With the tremendous tax burden already carried by the tobacco-consuming public, so forcefully pointed out by the Treasury Department, it seems difficult to understand by what process of reasoning tobacco might be regarded as a productive or dependable source of State revenue, particularly in these times of depression.

On the basis of the Federal cigarette tax, for example, the consumer using a package a day, which is indeed the normal rate of consumption, is already paying to the Federal Government a tax of $21.90 a year on his cigarette smokes.

The Buyers' Strikes in Tobacco Taxing States

There is ample proof for the contention that tobacco products, already so heavily taxed by the Federal Government, cannot bear any further burden, in the sharp decline of the tobacco business in the fourteen states where, attracted by the $500,000,000 revenue collected in normal times from tobaccos by the Federal Government, they have imposed their own tobacco tax levies.

As a result of the "buyers' strikes" against these added tax burdens, the per capita cigarette sales in these states have dropped to less than half of the average per capita sales in the entire United States. According to the tax receipts in the States where the figures are available, the average sales of cigarettes in 1931 amounted to 411 per capita as compared with the average of 924 per capita in the whole country.

But a still more striking illustration of the disastrous effect of the tax burden imposed upon the tobacco consumer by States is to be found in the record of cigarette sales in the first nine months of the current year in the cigarette-taxing States, where figures are available.

Thus in the same five States charted on Appendix II (page 37) where the per capita consumption of cigarettes in 1931 was down to less than one-half of the average per capita consumption in the whole United States, the sales of cigarettes, according to their tax receipts, from January 1st to October 1st in the current year, have declined to the extent of over 23 per cent., while the sales in the whole country have declined only 10 per cent.

It is to be hoped that this pamphlet will reach the hands of members of our State legislatures as well as our national lawmaking bodies, and that they will realize that there is such a result as "taxing an industry to death."

LORILLARD EARNINGS HOLDING WELL

WHILE sales of the P. Lorillard Company's standard brands have suffered somewhat this year in company with brands of other companies, their diversified products and the introduction of new brands to meet the demands of the depression period has had the effect of causing the earnings of the company to make a very favorable showing during the current year.

This year Lorillard's net income is likely to be fairly near the $4,846,373 earned in 1931, aided by elimination of $500,000 interest on bonds retired last year. Of this total, "Old Gold" cigarettes will account for about 20 per cent. The remainder will be contributed, primarily, by four other divisions, which are little cigars, Turkish cigarettes, scrap tobacco and smoking tobacco.

The cigar business of the company also adds to earnings. The scrap tobacco division, the smoking tobacco division, the little cigar end of the business and Turkish cigarettes, in the aggregate, contribute about four times as much as "Old Golds" to the total earnings of the company.

Lorillard has what is reported to be the largest selling brand of little cigars in "Between the Acts." Sales of little cigars in the United States in 1931 were over 300,000,000. "Helmar" and "Murad" are the company's leading brands of Turkish cigarettes.

"Beechnut" is the country's leading scrap tobacco brand, and "Honest" scrap is another important item. These brands are sold heavily in the industrial sections of the Middle West.

In the smoking tobacco division, which had a substantial growth in 1931, sales have continued to make large gains, with corresponding increases in profits from this source. The company's principal brand of smoking tobacco is "Union Leader."

Another brand, "Briggs," was recently introduced to the trade, and "Hurley Burley" and "Ripple," which sell for five cents a package, and are suitable for rolling into cigarettes, have had a heavy sale since introduction.

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RETAIL STORE PROBLEMS

(*Continued from page 12*)

agent of the licensee in keeping said premises in proper condition and repair and in cleaning and furnishing janitor service for the same, the extent and necessity of such repairs and cleaning and the amount of such janitor service to be such as the licensor deems reasonable, and as agent of the licensee to maintain telephone service and to pay to the telephone company its charges for such telephone service. And the licensee agrees that the licensor may install one or more terminals in the licensee's department and that the licensee will pay for the use of such terminals and for his outgoing calls at the rate charged by the telephone company, and in such manner as shall be satisfactory to the telephone company and licensor, but it is understood and agreed that the licensor shall not be responsible for any failure to furnish light, water, heat, janitor, elevator, or telephone service, unless such failure arises from the willful neglect of the licensor, and where such failure arises from riots, strikes, lockouts, fires, or inevitable accident or stoppage for needful repairs or improvements, such failure shall not be deemed to arise from the willful neglect of the licensor. The licensee covenants and agrees that the licensor shall not be liable for any damage, either to person or property, sustained by the licensee or by another person, due to the building in which the said premises are situate becoming out of repair, or to the happening of any accident in or about said building, or due to any neglect of any tenant, licensee, or occupant of said building, or of any other person. This provision shall apply especially, but not exclusively, to damage caused by water, snow, steam, sewerage, gas, or odors, and by bursting or leaking of pipes of plumbing works, and shall apply equally whether such damage be caused by an act or neglect of other licensees, tenants, occupants, or janitors in said building, or of any other persons.

6. The licensor has established rules and regulations for the conduct and government of the licensee and other licensees doing business in the said building and reserves the right from time to time to alter and amend said rules and regulations and to make new rules and regulations, which, in the judgment of the licensor, shall be necessary or desirable for the proper conduct and operation of the various lines of business to be carried on in said building, and the licensee acknowledges the receipt of a copy of such rules and regulations and agrees to comply therewith, and to comply with any additional rules and regulations which may be from time to time made by the licensor, and copies of which shall be from time to time delivered to the licensee.

7. It is further mutually understood and agreed that the licensee shall pay over all receipts from sales made by it immediately upon making such sales to cashiers employed by the licensor, and that an account shall be kept by the licensee of all sales as hereinbefore defined by the operation of cash registers to be provided by the licensor, and by true books of account showing the volume of sales made in each and all of the licensee's departments, and the licensor agrees that it will settle with the licensee weekly, and after deducting the amounts due from the licensee computed as hereinbefore provided, and any other amounts which may be due and owing from the licensee to the licensor, will pay over the balance due to the licensee not less often than weekly; and it is further mutually understood and agreed that all books of account, invoices, bills of sales, and other records of the licensee's business shall be at all times open to the inspection of the licensor and its auditors.

8. In the event that the licensee shall fail to perform all ..... agreements herein contained or shall fail to comply with the said rules and regulations or any of them, or if at any time the licensee, in the opinion of the licensor, is or is about to become unable to meet ..... obligations, and the continued operation of said department is a detriment to the department store as a whole, then and in either such event, all rights under this license shall forthwith cease and determine, and the licensee in such event, authorizes and irrevocably empowers the licensor and the agents, employees, and servants of the licensor to remove the property of the licensee from the space upon which the said business shall have been operated, and the licensee agrees forthwith to remove said property from the building in which the said premises are situate, and if the licensee shall fail so to do, within five days after receipt of notice from the licensor, the licensor and the agents, employees and servants of the licensor are hereby irrevocably authorized and empowered to cause said goods to be placed in any public storage warehouse at the cost and risk of the licensee, and the licensee hereby covenants and agrees to pay all costs and expenses, including reasonable attorney's fees, which may be incurred by the licensor in connection with the removal and storage of such property, and in the event that the licensee shall fail to pay any such storage charges, the licensee hereby irrevocably agrees that the said property so stored may be sold to pay said storage charges.

It is further understood that in case the licensee's credit becomes, in the opinion of the licensor, seriously impaired, or in case of any attachment or other levy under process of the law of the licensee's goods or property, such goods or property may be removed by the licensor, at the licensee's risk, from the space in which they are then located to such other place in said building or elsewhere as the licensor may deem desirable.

It is further understood and agreed by and between the licensor and the licensee that in case the licensee shall leave the space covered by this license vacant and unoccupied or abandon the same during the life of this license, or in case of default on the part of the licensee, the licensor may at its option enter said premises and relicense or lease the same for the account of the licensee for such rent and upon such terms as shall be satisfactory to the licensor without such action on the part of the licensor working a forfeiture of the rents or fees to be paid, and the covenants to be performed, by the licensee during the full term of this license.

9. In the event the licensee shall sell merchandise other than that which is specifically described in this license or any rider attached to and made a part of this license, and in case a dispute shall arise as to the right of the said licensee to sell such other merchandise, then and in that event the licensor shall decide whether or not such merchandise may be sold by the licensee, and the decision of the licensor shall be binding and final.

10. The licensee shall not assign this license without the written consent of the licensor first had and obtained, and shall not permit any transfer to any other party by operation of law, and no third party shall by virtue of such assignment or transfer become vested with any right under such license.

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Upon the Stability of An Organization Depends the Quality of Its Product and the Service Rendered

The prosperity or poverty of a nation depends, after all, not upon laws but upon the ability of its commerce and industry to maintain its markets and thus sustain employment.

The stability of any business is founded upon a definite standard of quality and the utmost in service.

The stability of AUTOKRAFT BOX CORPORATION guarantees to its customers an unvarying quality in the new improved AUTOKRAFT cigar box and a maximum of service.

Phila., Pa.
Hanover, Pa.
Cincinnati, Ohio

AUTOKRAFT BOX CORPORATION
LIMA OHIO
A Nation Wide Service

York, Pa.
Chicago, Ill.
Detroit, Mich.
Wheeling, W. Va.

"LUCKIES" IN NEW CHRISTMAS PACKING

AN INNOVATION in Christmas cigarette packages is being introduced this year by the makers of "Lucky Strike" cigarettes. The new special Christmas package will differ from those previously used in shape as well as in design. In recent years cartons of 200 cigarettes have become one of the most popular Christmas gifts, by virtue of being useful, appropriate and inexpensive presents. To meet this demand, "sleeves" were first prepared to slip over the usual carton, but this year the toasted smokes will have a special Christmas package, in a convenient flat shape similar to that of the "flat fifties" except that it is larger with a design which is both decorative and practical, blending with the customary Christmas decorations. The special Christmas package as well as the individual packages inside will be wrapped in cellophane, thus giving added protection. Upon the special Christmas package appears the following appropriate verse:

"May every fragrant puff you take
Bring mellow Christmas cheer,
And may you get a Lucky break
All through the coming year."

UNIVERSAL LEAF DIVIDEND

Directors of the Universal Leaf Tobacco Company recently declared the regular quarterly dividend of 2 per cent. on the preferred stock of the company, payable January 2d to stockholders of record at the close of business on December 19th.

They also declared the regular quarterly dividend of 50 cents a share on the common stock of the company, payable February 1st to stockholders of record January 20th.

TOBACCO TRADE ORGANIZATIONS

TOBACCO MERCHANTS ASSOCIATION OF UNITED STATES

JESSE A. BLOCH, Wheeling, W. Va. ..... President
CHARLES J. EISENLOHR, Philadelphia, Pa. ..... Ex-President
JULIUS LICHTENSTEIN, New York, N. Y. ..... Vice-President
WILLIAM BEST, New York, N. Y. ..... Chairman Executive Committee
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CORONA FACTORY ALREADY TOO SMALL

ON account of the unexpected large demand for the new "Corona" and other brands of the Henry Clay and Bock & Company, the manufacture of which was recently transferred from Cuba to Trenton, N. J., that company will start at once to build an extension to the building there which is rapidly nearing completion.

Immediate addition to the building will mean that approximately 1400 workers will be employed instead of 700 originally intended.

The addition to the new building was not expected to be needed for several years to come, but the tremendous demand for the famous brands has made it imperative that the addition be undertaken as soon as possible.

The addition will be three stories and basement, of Spanish design, to harmonize with the building now under construction and which is rapidly nearing completion and is expected to be ready for occupancy on or before February 1st.

"TALLY-HO" IN HOLIDAY ATTIRE

The P. Lorillard Company has created an attractive holiday wrapping for their "Tally-Ho" amber-tipped cigarettes, which is meeting with favor with the trade. The packing consists of a decorated cellophane wrapping over the carton which has a brilliant red background. The effect is very striking and has met with much enthusiasm among the trade.

The P. Lorillard Company has been running a "teaser" campaign on "Tally-Ho"—"The secret is in the bag," also with considerable success. This was started in New York and has now been spread to many of the other large cities of the country.

A few days ago the announcement was made in the metropolitan districts of New York and New Jersey that "The secret is out—Amber Tip 'Tally-Ho'—20 for 20¢ cigarettes—Now 15¢." Similar announcement will be made in other sections of the country probably in January.

W. W. ESTABROOK DEAD

Willard W. Estabrook, the last surviving member of the old established jobbing firm of Estabrook & Eaton, Boston, died at his home on December 3rd, following an operation on a broken hip which he sustained in an automobile accident the previous day.

Mr. Estabrook was a graduate of the Massachusetts Institute of Technology, a thirty-second degree Mason, and had been fire commissioner of Brookline for twenty-eight years.

He is survived by one sister. He was sixty-five years old.

PHILIP MORRIS DIVIDEND

Philip Morris Consolidated, Incorporated, has declared a dividend of 43¾ cents a share on the Class A stock, payable on account of accumulations, which will amount to $6.56¼ a share, following the above distribution. Payment is due January 3d to holders of record December 20th.

"CAMEL" ACCOUNT TO ESTY & COMPANY

The R. J. Reynolds Tobacco Company, Winston-Salem, N. C., has appointed William Esty & Company, New York Advertising Agency, to direct the advertising of "Camel's" cigarettes and "Prince Albert" smoking tobacco, according to reports.

LORILLARD EARNINGS

(*Continued from Page 13*)

In the cigar field, Lorillard's revival of the old brands, "Lillian Russell," and "U. S. Bonds," to retail at two for five cents, is aiding volume.

Lorillard this year purchased much more low-priced tobacco than it normally requires, so that if tobacco manufacturers decide to meet the competition from ten-cent cigarettes by reducing their prices, its earnings could still make a good showing.

Per capita consumption of all tobacco products, other than cigarettes manufactured by the leading companies, has shown a gradual downward trend this year. Prices in these miscellaneous divisions are, in general, relatively stable. If fifteen-cent cigarette profit margins are lowered in 1933, Lorillard, which has the largest proportion of miscellaneous tobacco products of any of the leading companies, is in a fine position.

Earnings, as above estimated, would be more than 50 per cent. in excess of the annual common dividend of $1.20.

DIAMOND MATCH REPORT

Diamond Match and subsidiaries report for the nine months ended September 30th net profit of $1,585,023 after depreciation, taxes, etc., equivalent after dividend requirements on 6 per cent. preferred stock, to 94 cents a share on the approximately 933,000 average number of no-par shares of common stock outstanding during the period. This compares with net profit in the first nine months of 1931 of $1,903,401, equal to $1.08 a share on 1,050,000 common shares then outstanding. For the quarter ended September 30th net profit was $484,693 after taxes and charges, equal to 36 cents a share on 700,000 common shares outstanding at the close of the period. In the September quarter of the previous year net profit was $583,303, or 31 cents a share, on 1,050,000 common shares.

G. W. HELME COMPANY DIVIDEND

The G. W. Helme Company has declared an extra dividend of $2 on the common stock in addition to the regular quarterly dividend of $1.25 on the common, payable January 2d to stockholders of record December 10th. In four preceding years the company has declared similar extra dividends at the November meetings.

TAMPA PRODUCTION

Tampa cigar manufacturers produced during the month of November a total of 35,970,627 cigars, which is 5,000,000 less than was produced in the same month of last year. Production by classes was as follows: Class A, 15,851,000; Class B, 485,000; Class C, 15,274,000; Class D, 4,265,000, and Class E, 95,586.

SANTAELLA IN TAMPA

Antonio Santaella, manufacturer of the "Optimo" brand, has returned to his Tampa home for the winter months after spending several months in New York City.

CONGRESS CIGAR DIVIDEND

Congress Cigar Company declared the regular quarterly dividend of twenty-five cents, payable December 30th to stock of record December 14th.

CIGAR MANUFACTURERS MEET N. A. T. D.

(*Continued from Page 11*)

Mr. J. C. Newman, of the M. & N. Cigar Company, Cleveland, urged immediate consideration of the problems in hand. A representative of J. C. Winters, Red Lion, offered some constructive suggestions.

Mr. E. C. Derstyne and Mr. J. Snyder, members of the N. A. T. D., expressed their opinions along the same lines as the previous speakers.

Mr. John H. Duys, president of the Associated Cigar Manufacturers and Leaf Tobacco Dealers, addressed the gathering briefly and readily conceded that the problems were numerous and the solving thereof intricate and difficult and would require thought and consideration. He promised his co-operation by advising that he would urge that a committee of the manufacturers be appointed to meet with the committee of the N. A. T. D., in conference, in the near future for the purpose of planning ways and means for the betterment of conditions.

In the opening address of the meeting Mr. Just said:

"As you are well aware, this meeting between the representatives of the cigar distributors and those of the cigar manufacturers marks the first definite step taken by the distributors towards the solution of their various problems since the formation of the N. A. T. D. early in the year. For some months past a committee has been at work studying the magnitude and causes of the ills with which the distributor is afflicted. The result of this careful investigation has been the formulation of a definite and logical method of procedure by which we hope to solve some of our most pressing difficulties.

"It soon became evident that the sorry condition of the distributor could be attributed to the effects of certain practices prevalent in the cigar and tobacco industry in general as well as to certain abuses of good business conduct within the ranks of the distributors themselves.

"As a distributor, I say to you as manufacturers that our interests are closely allied. Your business is our business. We viewed with satisfaction the steps taken by the cigar manufacturers at their recent meeting under the leadership of Mr. John H. Duys toward the solution of their particular problems, and we assure you that we shall shortly undertake the intelligent consideration of the means of our own salvation. If these meetings unhappily produce no other result, we shall at least feel assured that we have all willingly opened our eyes to the fact that 'all is not well.' In the meantime, however, it is not unlikely that the joint consideration of our mutual problems will aid materially in diminishing the seriousness of our individual sources of irritation.

"As we have indicated to you in our invitation to meet with us, we are prepared to offer you a limited number of very definite proposals for your consideration in regard to this matter. As these proposals are brought forth, I ask you to realize that we are advocating no radical course of action—no departure from the tried practices of a successful past. During recent years, the distributors have been sitting idly by watching with distrust, albeit with interest, the attempt of some cigar manufacturers to reach the pot of gold beneath the rainbow through merchandising schemes proved fundamentally unsound by the steady decline and loss of morale in the cigar industry.

"Your business and ours, too, was built up under a system of personal co-operation by the manufacturer and distributor. When this fact was ignored the efficiency of the distributor was impaired almost to the point of destruction and way was paved for the gradual supplantation of the cigar trade by that of other tobacco products which are more adaptable to impersonal distribution and large scale merchandising."

Mr. Just further elaborated on the situation confronting the manufacturers and distributors, bringing to the attention of those present the stages the industry has gone through, and continued as follows:

"We are of the opinion that unless closer co-operation between the cigar manufacturer and distributor is brought about, the situation will shortly resolve itself into a system whereby widely advertised brands will be sold directly by the manufacturer to the chain system, the retail merchant and the consumer, and the formerly desirable distributor will conceive and foster brands of his own which can and will be placed on the market in local competition with these established brands. It is to this fact that we can attribute the increasing agitation on the part of some independent manufacturers toward the establishment of private brands among the distributors."

In conclusion Mr. Just stated: "I should like to make it clear once more that in my opinion many of the

(*Continued on Page 18*)

Classified Column

The rate for this column is three cents (3c.) a word, with a minimum charge of seventy-five cents (75c.) payable strictly in advance.

FOR SALE

FOR SALE—MODEL L UNIVERSAL BUNCHING MACHINE; No. 18 Strickler Tobacco Scrap and Stem Cleaning Machine; Presses; Molds. J. D. Foy, Dothan, Ala.

FOR RENT

OFFICE AND FLOORS FOR CIGAR MANUFACTURING OR STORAGE—No parking restrictions; good location; low rent; freight elevator and loading platform. Will divide. Metals Coating Company of America, 495 North Third Street, Philadelphia.

HAVANA CIGARS

OLD MANUFACTURING FIRM OF HAVANA QUALITY CIGARS will serve orders in any quantity to discounting dealers, at profitable prices. Satisfaction guaranteed. Address for particulars "Fair Dealing", Box 1168, Tampa, Fla.

OUR HIGH-GRADE NON-EVAPORATING
CIGAR FLAVORS
Make tobacco mellow and smooth in character and impart a most palatable flavor
FLAVORS FOR SMOKING and CHEWING TOBACCO
Write for List of Flavors for Special Brands
BETUN, AROMATIZER, BOX FLAVORS, PASTE SWEETENERS
FRIES & BRO., 92 Reade Street, New York

Tobacco Merchants' Association Registration Bureau, 341 Madison Ave. NEW YORK CITY

Schedule of Rates for Trade-Mark Services Effective April 1, 1916.

Registration,	(see Note A),	$5.00
Search,	(see Note B),	1.00
Transfer,		2.00
Duplicate Certificate,		2.00

Note A—An allowance of $2 will be made to members of the Tobacco Merchants' Association on each registration.

Note B—If a report on a search of a title necessitates the reporting of more than ten (10) titles, but less than twenty-one (21), an additional charge of One Dollar ($1.00) will be made. If it necessitates the reporting of more than twenty (20) titles, but less than thirty-one (31), an additional charge of Two Dollars ($2.00) will be made and so an additional charge of One Dollar ($1.00) will be made for every ten (10) additional titles necessarily reported.

REGISTRATION

TAKE-OUTS:—46,119. For cigars. November 25, 1932. El Moro Cigar Company, Greensboro, N. C.

TRANSFERS

EARLMONT:—26,156 (Tobacco Leaf). For cigars, cheroots, cigarettes and tobacco. Registered September 16, 1903, by Irving E. Schaap, New York, N. Y. Through mesne transfers acquired by Walter E. Olsen & Co., Manila, P. I., and New York, and re-transferred to "El Oriente" Fabrica de Tabacos, Inc., Manila, P. I., October 26, 1932.

HELIOS:—84,387 (U. S. Patent Office). For cigars. Registered December 12, 1911, by Germann & Company, Ltd., Manila, P. I. Transferred to Walter E. Olsen & Co., Manila, P. I., and New York, and re-transferred to "El Oriente" Fabrica De Tabacos, Inc., Manila, P. I., October 26, 1932.

EL TRIO:—96,989 (U. S. Patent Office). For cigars. Registered May 12, 1914, by Walter E. Olsen & Company, Manila, P. I. Transferred to "El Oriente" Fabrica De Tabacos, Inc., Manila, P. I., October 26, 1932.

SAN CERRO:—37,243 (United Registration Bureau). For cigars, cigarettes, cheroots and tobacco. Registered February 15, 1912, by American Litho. Co., New York, N. Y. Transferred to Henry W. Peabody & Company, and re-transferred to Irving H. Waterman, Flushing, N. Y., September 30, 1932.

AMIRALA:—24,178 (Tobacco World). For cigars, cigarettes, cheroots, stogies, chewing and smoking tobacco. Registered April 1, 1912, by Heywood, Strasser & Voigt Litho. Co., New York, N. Y. Transferred to Henry W. Peabody & Company, and re-transferred to Irving H. Waterman, Flushing, N. Y., September 30, 1932.

MEROLA:—33,977 (U. S. Tobacco Journal). For cigars, cigarettes, cheroots and tobacco. Registered March 2, 1908, by Heywood, Strasser & Voigt Litho. Company, New York, N. Y. Transferred to Irving H. Waterman, Flushing, N. Y., September 30, 1932, in that part of the United States lying east of the Mississippi River.

CUBAN CONDITIONS UNCHANGED

Conditions remained practically unchanged in the tobacco industry during November. There was a fair demand for high-grade Vuelta Abajo leaf tobacco on the part of American cigar manufacturers and some movement of low-grade leaf to Europe. As far as can be ascertained, the hurricane caused very little damage to tobacco stocks on the Island, although in some sections of the Remedios zone the growing crop suffered to a certain extent through the destruction of the seed beds. It is stated, however, that it is not too late to permit replanting of the seedlings and it is not thought that the size or quality of the next crop will suffer materially, especially as none of the other tobacco zones were affected by the hurricane.

Exports of tobacco and tobacco products during October, 1932, were valued at $1,339,657, a substantial increase compared with the preceding month when they amounted to $921,228 but below the October, 1931, total of $1,690,513. October, 1932, exports included 5,037,732 pounds of leaf tobacco, 5,531,010 cigars, 35,032,382 cigarettes and 121,677 pounds of smoking tobacco as against 2,630,382 pounds of leaf tobacco, 5,525,389 cigars, 54,290,613 cigarettes and 136,290 pounds of smoking tobacco during the same month of 1931.—*American Commercial Attache Albert F. Nufer.*

CIGAR MANUFACTURERS MEET N. A. T. D.

(Continued from Page 17)

troubles of the cigar manufacturers can be attributed to the loss of the personal element in the distribution of cigars. When the sale of cigars became forced through cold-blooded advertising and automatic sales schemes, the element of pride in the sale of a distinguished piece of merchandise was lost to the distributor as well as to the manufacturer. The consumer was quick in sensing this lack of warm feeling which had formerly characterized the sale of cigars. As in the sale of many other commodities, the consumer who formerly took a personal pride in being familiar with good cigars and with the ethics of gentlemanly smoking began to wonder whether or not he was the victim of a grand 'hoax.' When this consumer became a disinterested cigar smoker, the decline of our industry began. In short, gentlemen, the personality was taken out of the handling of cigars and this is the fact most to be regretted."

HIRSHHORN AGAIN HEADS ASSOCIATED RETAILERS

At a meeting of the Associated Retailers, Incorporated, held at the Hotel McAlpin, New York City, on December 5th, Sol Hirshhorn was re-elected to head the organization for another year. All other officers and directors were also re-elected as follows: Morris Weiss, vice-president; Edward Castro, treasurer; William Goldstein, secretary. The board of directors include: B. B. Horowitz, chairman, Paul Matusow, Joseph Steurenthal, Sam Weiss, Max Asnin, H. Berman, I. H. Lefkowitz and Ben Greenblatt.

700 UNITED LEASES REJECTED

The Irving Trust Company, of New York, trustee for the United Cigar Stores Company of America, has rejected 700 real estate leases since its appointment as trustee, it was learned last week.

In the cases of nearly 500 leases more favorable arrangements have been negotiated by the trustee with landlords, and many others are in the process of negotiation.

The trustee has been ordered by Irwin Kurtz, referee, to indicate its decision on all leases by December 10th, which is an extension of one month from the date originally set.

RETAIL STORE PROBLEMS

(Continued from page 14)

11. It is further understood and agreed by and between the parties hereto that the licensee, except in the case of advertising placed through the said advertising department of the licensor, shall only use the name (name of store) in advertising or otherwise, upon specific written consent of the licensor.

12. This license shall be and is subject to all the terms of (prior lease).

By .....
(President.)

Attest:

....
(Secretary.) (Licensee.)

SPECIFIC RULES AND REGULATIONS

(Referred to in article 6 of the agreement printed above, attached to and made a part of said agreement.)

(To be continued)

BUYERS' GUIDE

CIGAR BOXES

Tel. Algonquin 4-9532 Established 1875

NIC. ALTHAUS CO

HIGH GRADE CIGAR BOXES

CEDAR SAW LABELS, RIBBONS CIGAR MAKERS SUPPLIES FINDING MILLS

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It Pays to Advertise IN THE TOBACCO WORLD

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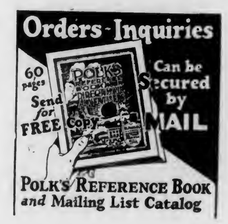

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Strong, Salt, Sweet and Plain Scotches

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DILL'S BEST

"It's A Mighty Fine Pipe Tobacco"

If your jobber is unable to supply you, write us direct and state size desired. Give us the name and address of your jobber.

10c 15c 25c 75c $1.50 SIZES

J. G. DILL CO. Richmond, Va.

A Word *to the* Wise

Don't ask your dealer to sell a WHITE OWL for *less* than 5 cents. He cannot afford it. He pays *more* for it than ordinary nickel cigars.

But you have every right to expect your dealer to have WHITE OWL handy to your call. Speak up for it, and see your nickel get *ABSOLUTELY* the *SAME CIGAR* sold 14 years at 7 cents and higher prices.

General Cigar Co., INC.

OVER 425,000,000 FIRST YEAR AT 5¢

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